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NEWS SUMMARY

GENERAL

Row as new poll is called in India

India's President Sanjiva Reddy dissolved the Lower House (Lok Sabha) of Parliament and ordered fresh elections—probably in late November or early December.

He was immediately attacked by the opposition Janata Party, whose leader Jagjivan Ram had staked his claim to form a new Government.

Outgoing Prime Minister Charan Singh is to continue in a caretaker role, leading a compact Cabinet. Mrs. Indira Gandhi criticised this arrangement, maintaining that she did not expect fair elections under Mr. Singh. Back Page

U.S. backs down on Palestinians

The U.S. has abandoned plans to submit its own compromise resolution supporting Palestinian rights in the Security Council debate expected to open in New York today, said U.S. Middle East envoy Robert Strauss.

The decision was taken in the face of Israeli and Egyptian objections. It came after a meeting between Mr. Strauss and top Carter aides and was approved by the President, still vacationing on the Mississippi river. Page 4 and Page 16

Rhoodie flight

Dr. Eschel Rhoodie, former head of the South African Information Department and one of the men at the heart of the "Muldergate" scandal, was expected to arrive at Johannesburg today after being flown back under guard from Paris. He was arrested on the Riviera last month.

2-nation link off

Iraq was reported to have dropped all plans for union with Syria after charges were made of a Damascus involvement in last month's unsuccessful conspiracy to unseat Iraqi President Saddam Hussein. Page 3

£1m jail scheme

The Government is to spend £1m over three years to improve conditions at Scotland's high security Peterhead jail, where prisoners are continuing a rooftop protest demonstration.

Poison victim

A woman died in a hospital at Sandwell, West Midlands, where there has been an outbreak of suspected salmonella poisoning. This brings to nine the number of people who have died in the last month in seven separate food poisoning outbreaks—six in hospitals.

Gillette finalists

Somerset will play Northants in the final of the Gillette Cup at Lord's next month. Somerset beat Middlesex by seven wickets and Northants beat Sussex by 37 runs.

Two flown back

Two brothers wanted for questioning in connection with the murder of Surrey water board official John George and two armed raids were flown back to Britain from France. John and Jason Richards were taken to Godalming police station, Surrey.

Briefly . . .

Hundreds of Birmingham homes were blacked out after a man climbed a pylon and touched an 11,000-volt cable, receiving severe burns.

Four masked men escaped with more than £50,000 in a raid on a sorting office at Aylesbury, Bucks.

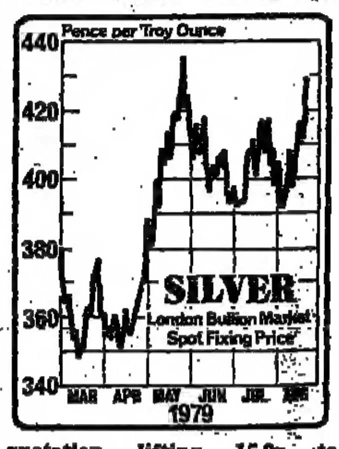
BUSINESS

Sterling firm; Silver up 15.9p

● STERLING rose 80 points on the day to close at $2.2185 and its trade-weighted index advanced to 70.8 (70.6). DOLLAR was also firm, its trade-weighted index rising from 84.7 to 84.8.

● GOLD closed $6¾ up in London at $309⅜.

● SILVER rose sharply following the surge in gold, the London bullion market spot quotation lifting 15.9p to 428.95p an ounce.



● EQUITIES: Interest continued to be stifled by uncertainty about the UK economic outlook but some leaders edged higher and the FT 30-share index closed 1.2 up at 465.2.

● GILTS: In uninspiring trade, high-coupon issues saw losses extending to ⅜ and short-dated stocks closed fractionally easier. The Government Securities Index lost 0.24 to close at 73.57.

● WALL STREET was up 0.08 at 886.09 just before the close.

● NATIONAL ENTERPRISE Board has been given Government permission to go ahead with one of its largest-ever investment projects to save Rolls-Royce from having to buy foreign-made titanium. Back Page

● BOC gases division shop stewards have fixed a claim for a £25 across the board increase on basic rates. The claim represents about 30 per cent on present rates. Page 7. BOC International's profit before tax for the third quarter slipped from £22.6m to £19.1m. Page 18 and Lex, Back Page

● VOLKSWAGEN, the West German car maker, reports first-half net profit up 13 per cent at DM 300m (£74.1m) compared with DM 265m previously, on sales worth DM 15.26bn (DM 13.79bn).

● CRUDE OIL exports from Iran are being hampered by high winds, which make loading difficult. Shipments have fallen below 1m barrels a day, about one-third of the export rate earlier this month.

● IMPORT controls designed to protect the UK textile industry from cheap foreign goods will mean dearer clothes, especially children's wear, and will restrict choice, the Consumers' Association says. Page 7

COMPANIES

● BRITISH STEEL Corporation's first quarter results are expected to show a loss of around £70m from April to June compared with last year's average quarterly losses of £80m. Back Page; News analysis, Page 6

● BAT Industries plans to buy out Imperial Group's 50 per cent stake in the jointly owned Mardon Packaging International, a move that will end a 77-year association between the two diversified British tobacco companies. Back Page

● LONDON BRICK Company's taxable profits were more than halved in the six months to June 30, from £6.72m to £3.1m. Page 18 and Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Allied Irish Banks	125	+ 7
Arlington Motor	107	+ 5
ANZ	210	+ 9
Bank of Ireland	332	+ 12
Challenge Corp.	106	+ 4
Coml. Bk. Australia	156	+ 8
Dufay Bitumastic	41	+ 3
Muirhead	246	+ 10
Office & Electronic	182	+ 13
Pleasurama	172	+ 10
Provident Financial	95	+ 6
Racal Electronics	470	+ 7
Victor Products	143	+ 8
Ampol Petroleum	57	+ 6
Aran Energy	140	+ 15
Bertam	175	+ 7
Kinta Kellas	158	+ 15
Sungei Bahru	175	+ 15
McLeod Russel	284	+ 14
East Driefontein	684	+ 33
East Rand Prop.	572	+ 50
Gold Mines Kalg'rlie	95	+ 10
Leslie	89	+ 6½
Libanon	577	+ 45
West Driefontein	£24⅞	+ 1¼
Western Holdings	£17⅞	+ 1⅛

FALLS		
Treasury 11¾pc 03-07 (£55 pd.)	£55¼	− ⅜
Dalgety	284	− 9
ERF	94	− 4
Great Portland Ests.	324	− 6
Hoffnung (S.)	53	− 6
House of Fraser	138	− 3
Land Secs.	301	− 5
LWT A	146	− 4
Marks and Spencer	110	− 3
Ocean Transport	91	− 3
Phoenix Timber	135	− 7
Spillers	47½	− 1½
Stock Conversion	364	− 6
BP	1,140	− 25

TUC rejects all Prior's proposals on union reforms

BY CHRISTIAN TYLER, LABOUR EDITOR

Talks between the Government and the TUC about legal curbs on trade union behaviour reached virtual deadlock yesterday. The TUC rejected the whole package of union reforms put forward by the Government, and said there could be no negotiation or compromise.

Mr. James Prior, Employment Secretary, confirmed that he would legislate this autumn, with or without the agreement of the unions.

In spite of the deadlock, both sides said the dialogue would continue. Mr. Prior, after meeting members of the TUC employment policy committee, was very doubtful that the TUC would relax its "disappointing" hard line, but said he could not rule out a change of heart.

Mr. Len Murray, TUC general secretary, said the unions would not give up trying to deflect the Government from legislating.

Asked whether there was any alternative to a confrontation between unions and Government, both refused to discuss the word. Mr. Prior said there were many different ways of disagreeing.

"I hope very much that the disagreement that I expect to happen will be a disagreement in rational and reasonable terms, but that co-operation will continue in all other respects," he said.

It now looks unlikely that the Trades Union Congress will pull its leaders out of the talks, or that motions to that effect will even reach the agenda. But the unions will be considering whether collective action or merely angry acquiescence should greet the final proposals.

Given the timetable outlined yesterday, Mr. Prior's promised reply to the TUC after Congress could well give a clue to the main bones of his Bill in October or November.

The Government has undertaken to legislate on the closed shop and, in particular, to widen statutory protection for non-union or anti-union workers.

It has undertaken to restrict picketing, remove some legal immunity from "secondary pickets," and possibly to restrict immunities for all forms of industrial action as well.

Bitter

Less controversially, it proposes to subsidise secret ballots for major union elections and strike decisions.

Mr. Prior said yesterday that he had not yet made a decision on the immunity question—the one most bitterly opposed by the TUC.

But he gave some clue to his plans when he said that if the wider immunity was to be amended—by removing protection from breaches of commercial contracts—then a declaratory statement would be inserted into a Bill to the effect that the right to take primary industrial action was not infringed.

He would also deal with TUC objections that his redefinition of picketing would, for example, stop trade union officials joining picket lines.

Mr. Murray yesterday repeated his warning that if the Government continued along the legislative path, the TUC would withdraw the voluntary guidance on the closed shop, picketing and other conduct issued in partnership with the Labour Government.

He said the proposals could have "as disastrous effect on the country's industrial relations" as the provisions of the last Conservative Government's 1971 Industrial Relations Act.

"We told him that well-established bargaining arrangements that we have oeprated for years could be disrupted. Small disputes could be inflamed into much more serious ones."

Mr. Prior's answers to the unions' inquiries on how his plans would improve industrial relations — which the TUC sought as much as the Government—had been "very woolly indeed," he said.

Mr. Prior defended his reforms as a necessary adjunct to the voluntary code the TUC was pressing.

Poland freezes £600m deal with West Germany

BY ROGER BOYES IN BONN AND CHRISTOPHER BOBINSKI IN WARSAW

POLAND has decided to freeze plans for a DM 2.5bn (£600m) coal gasification project with West Germany. The deal, agreed four years ago, was the largest ever between the two countries.

Behind the decision are believed to be Poland's worries about the extent of its debt with the West—now estimated at U.S.$15bn (£6.8bn). There is also thought to be some fear that the West German technology involved could be outdated before the project came on stream in Poland.

Under the original scheme, coal-to-gas-to-ammonia plants were to have been built in southern Poland using a process of the West German company, Krupp-Koppers, a subsidiary of the Krupp steel-making and engineering group. Downstream chemical plants were also to have been built, with another Krupp subsidiary supplying much-needed mining equipment. The ammonia and urea derived from the synthetic base was to be used in the production of chemical fertilisers, while some of the gas was to be for industrial heating. Methanol, meanwhile, would be separated and used to improve the octane grade of petrol.

Now Polish officials have said that the Government has serious doubts about continuing the deal in its present form but have suggested that a scaled down version of the gasification package could be acceptable. Krupp-Koppers has confirmed that the deal has been suspended and that new negotiations are taking place.

The scheme had been seen as the cornerstone of West German trade with Eastern Europe—a positive sign that Ostpolitik, the policy of conciliation towards the Soviet bloc, was paying. The Poles, too, had thought of the plan as an important way of exploiting their vast coal reserves for the benefit of the country's chemical industries and weak agricultural sector.

But Polish industrial ministries are becoming increasingly cautious about committing themselves to large projects with the West, especially when these require the building up of an infrastructure, the launching of a training programme and a dependence on Western skills.

Officials believe that an increase in natural gas imports from the Soviet Union—scheduled for the 1980s—or the rapid development of U.S. gasification technology could make Polish synthetic gas uncompetitive and that Polish chemicals would price themselves out of the market. President Jimmy Carter's recent commitment of more than $80bn to the development of synthetic fuels has reinforced this anxiety, although it is acknowledged that West German companies (Krupp-Koppers and Lurgi Gesellschaften) are by far the most experienced in gasification and liquefaction.

The negotiations now going on between Krupp-Koppers and Polish ministries and agencies over a reformed version of the deal are expected to provide for a smaller gasification plant as a "pilot" project and the delivery of coal extraction technology. Neither Krupp-Koppers nor the Polish ministries would comment officially on the talks.

Krupp is expected to salvage as much as possible from the scheme. Its long experience in dealing with Poland has already yielded substantial sales — in 1977 and 1978 they amounted to about DM 300m a year.

Grand Met in French deal

BY JAMES BARTHOLOMEW IN LONDON AND ROBERT MAUTHNER IN PARIS

GRAND METROPOLITAN, the hotel, brewing, entertainment and dairy products group, is to buy a substantial majority interest in a French public company owning three first class Parisian hotels and the famous Cafe de la Paix.

The purchase would mean that most of the French capital's top hotels would become British-owned.

Grand Metropolitan already has the Lotti as well as another hotel in a lower category. Trust Houses Forte, Britain's largest hotel business, owns three top-class hotels—the Georve VI, the Plaza Athene and the Tremoille.

If the deal is completed, Grand Metropolitan's holding will be in Société Nouvelle du Grand Hotel SA, which owns

(Continued on Back Page)

£ in New York

—	Aug. 21	Previous
Spot	$2.2165-2175	$2.2145-2160
1 month	0.52-0.47 dis	0.56-0.50 dis
3 months	1.30-1.25 dis	1.35-1.31 dis
12 months	4.48-4.38 dis	4.52-4.40 dis

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For latest Share Index phone 01-246 8026

Gold at record $309

By Kenneth Marston, Mining Editor

GOLD SOARED to a record price of $312 an ounce yesterday before easing to $309.375 for a net rise on the day of $6.75. The previous highest closing price was $306.375 on July 26.

The London market opened strongly after the result of the latest U.S. Treasury monthly auction became known. At the auction the West German Dresdner Bank acquired 720,000 ozs for a total cost of $217m. The average bid price was $301.08 and Dresdner Bank took 96 per cent of the 750,000 ozs of gold on offer. Bids totalled 2.26m ozs.

The strength of the bidding revived rumours that the bidders were acting on behalf of Middle East oil interests switching from U.S. dollars into gold. But other theories were put forward.

They included the uncertain situation in Iran which could have an adverse effect on that country's oil production, while there was also talk that Saudi Arabia might be considering cuts in oil production.

It was thought that if President Carter was re-elected, his Administration's policies would lead to higher gold prices. Some chart followers also believed that an important "chart point" had been breached to signal a further move forward in the bullion price.

The market in South African gold shares, which has been adopting a wait-and-see attitude during the recent uncertain course of the bullion price, moved up under the impact of overnight U.S. buying.

Support from London and other centres soon developed and prices closed with most of the earlier gains intact; there was little profit-taking.

The Gold Mines index was 10.3 up at 180.8, its highest since June 25, while the index in ex-premium form advanced 9.1 to 162.4.

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Money Markets, Page 22
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Banks back Chrysler Financial

BY STEWART FLEMING IN NEW YORK

ALMOST 280 commercial banks have provided Chrysler Financial, the financing subsidiary of the troubled Chrysler Corporation, with more than $1bn in short-term credits in recent months.

The loans have been made to help the company over its increasing difficulty in raising finance in the $100bn U.S. commercial paper market.

The support for Chrysler Financial does not amount to a dramatic improvement in the parent company's finances. It does, however, prevent a serious situation from deteriorating rapidly.

The difficulties in raising money experienced by Chrysler Financial as a result of its parent company's crisis might have worsened Chrysler Corporation's predicament.

Emphasising the continued need for support for the latter, President Carter said yesterday in Iowa that any U.S. aid to Chrysler should be a minimum, with "maximum security for any loans or guarantees."

The bankers' decisions to supply those credits has ensured that the difficulties faced by the financial arm as a result of the Chrysler crisis did not deteriorate into a crisis of confidence in the commerical paper market as a whole.

The banks lent the funds under individual short-term credit agreements. They are holding discussions aimed at a more formal relationship involving committed short-term lending under a formal loan agreement encompassing fewer of the banks. That would replace the agreements Chrysler Financial had with each bank.

A factor behind the heavy bank support will have been the unconsolidated subsidiary's excellent financial condition. It supplies finance to Chrysler dealers and customers.

The quality of its assets was emphasised last week when it was disclosed that Household Finance and the General Motors finance subsidiary had each bought debts owed to Chrysler Financial. Household Finance will take $500m of Chrysler receivables and General Motors Acceptance Corporation $230m.

Chrysler Financial's difficulties began in April when, in spite of its healthy balance-sheet, Moody's, a leading credit rating agency, cut its commercial paper credit rating from P2 to P3.

Other agencies cut the rating and Moody's removed its rating on July 31.

Commercial paper is short-term financial paper that companies issue to raise unsecured loans, generally for no more than 30 days. It is an alternative to bank loans. Total paper issued on the U.S. market has soared over the past three years as many big companies have been able to borrow there more cheaply than from banks.

Most commercial paper is backed by credit lines from commercial banks, although credit lines generally are not hard and fast commitments.

The fact that most of Chrysler Financial's lenders met their "moral" obligation to lend to Chrysler Financial when it became difficult for the company to raise funds in the paper market has been a great relief to that market. However, many of the same banks would have had large loans out to the parent company, too, and had they not acted to help Chrysler Financial, they would have jeopardised their loans to the parent.

Chrysler Financial officials estimate that the company's total of outstanding commercial paper has fallen from about $1.6bn in March to $400m.

Smith for London talks

BY TONY HAWKINS IN SALISBURY AND JAMES BUXTON IN LONDON

MR. IAN SMITH, the former Prime Minister of Rhodesia, will be one of two whites in the 12-man Zimbabwe Rhodesia delegation to the Constitutional Conference in London next month.

Bishop Abel Muzorewa, the Rhodesian Prime Minister, announced the delegation's composition to Parliament in Salisbury yesterday. He said majority voting would determine the decisions of the delegation so that the 10 black members would be able to out vote the whites.

Mr. Smith, now Minister without Portfolio in Bishop Muzorewa's bi-racial coalition Government, will have legal immunity against arrest while in Britain. This will be secured by the signing of an Order in Council by Lord Carrington, the Foreign Secretary.

The Foreign Office regards the delegation as broadly representative. Officials insist that no attempt was made to influence the composition of the delegations to the conference.

Mr. Robert Mugabe and Mr. Joshua Nkomo, the Patriotic Front guerrilla leaders, have said they will attend.

Four political parties in

(Continued on Back Page)

Berlinguer feeds fires of conflict on the Left

BY PAUL BETTS IN ROME

THE ITALIAN Communist leader, Sig. Enrico Berlinguer, has fuelled the conflict among left-wing forces by confirming for the second time in barely a week his party's pursuit of the so-called "historic compromise."

In an editorial to be published later this week by the Communist party ideological weekly, Rinascita, Sig. Berlinguer insists that a renewal of Italian society and a solution of economic problems is only possible through a broad collaboration by all the main parties and a severe policy of austerity.

Only through such a policy, he maintains, can socialism evolve in the context of freedom and democracy in Italy and Europe.

In so doing, Sig. Berlinguer appears to be attempting to reassert his authority over the Communist party at a time of increasing internal strains which could shift the party further to the left.

Sig. Berlinguer is aware of the dangers of such a move which could lead to the increasing isolation of his party in Italy giving greater room for the smaller Socialist party.

The latter, who have criticised strongly Sig. Berlinguer's latest statements, are attempting to enhance their political influence by making full use of their key position in Parliament. They hold the balance as long as the Communists remain in opposition.

The timing of his editorial suggests that the Communist leader is also looking to the key national congress of the Christian Democrat party in the autumn.

Sig. Berlinguer stresses, however, that a policy of austerity should simultaneously allow the working classes to have greater control of the distribution of the country's resources and the process of capital accumulation. This is a clear attempt to quiet growing criticism of his leadership from within the party, following the Communists setback in June's general election.

The article contains no significant shifts in the Communist leader's policies. These have been attacked not only because of the election results, but also the continuing rejection by the Christian Democrats of any collaboration with the Communists which would see them directly represented in Government.

By choosing the fifteenth anniversary of the death of Sig. Palmiro Togliatti, the first Italian post-war Communist leader, to reiterate the validity of the grand alliance of the Left, Sig. Berlinguer also indicates that this policy is consistent with Togliatti's own concept, formulated 33 years ago.

By reaffirming his willingness to resume a dialogue with the Christian Democrat party, Sig. Berlinguer has inevitably boosted the current leadership of the ruling party. This is also under increasing attack from internal factions which threaten the position of Sig. Benigno Zaccagnini, the Christian Democrat secretary-general.

The Christian Democrat leadership — effectively Sig. Zaccagnini, Sig. Flaminio Piccoli, the party chairman, and Sig. Giulio Andreotti, the former Prime Minister — generally favour the resumption of a dialogue with the Communists.

In contrast, their opponents in the party, led by Sig. Arnaldo Forlani, the former Foreign Minister, are trying to reinforce the links between the ruling party and the Socialists.

Italian holidays closing in strike confusion

BY OUR ROME STAFF

THE LONG summer holidays in Italy have ended in scenes of havoc and undignified confusion as a result of a series of strikes that have stranded tourists and visitors on Italian islands and now threaten rail services.

Although the ferry boat strike ended yesterday after three days of chaos, Italians and tourists face further transport difficulties next week following the decision of some unions to disrupt rail services.

In the last 48 hours of the ferry strike, the authorities had to call in the Italian navy and air force to pick up tourists stranded in Sardinia and other islands.

At some ports, violence erupted following the angry protests by exasperated travellers who had run out of money and patience. On the island of Lampedusa, south of Sicily, travellers blocked the airfield in protest.

Like the forthcoming rail strikes, disruption in ferry services was provoked by "non-aligned" union members who are challenging Italy's official trade union movement. The three main labour confederations have condemned the non-aligned unions' activities.

Strikes by these unions in the transport services have become a feature of the end of the Italian holiday season, which this year is expected to break all records. Receipts are estimated to be up by 15 per cent on last year's L5,000bn (£2.75bn).

Non-aligned union members are demanding changes in Italy's wage indexation mechanism.

In view of the public outcry that has followed their latest strike, the judicial authorities warned members they could face arrest on charges of omission of public duties if they did not return to work immediately. Sig. Franco Evangelisti, the Transport Minister, is to hold talks with non-aligned leaders on Saturday, in an attempt to reach a settlement.

Ferry services between the islands and the mainland are expected to return to normal in the next 24 hours, but difficulties for travellers are likely to persist as a result of the huge concentration of tourists at some island ports.

The threatened rail strikes next week are on past form likely to cause severe disruption and long delays.

Dr. Eschel Rhoodie . . . protesting innocence.

Rhoodie's extradition 'imminent'

By Our Paris Staff

DR. ESCHEL RHOODIE, former Secretary for Information in South Africa, is expected in South Africa shortly, after being extradited from France. French authorities would not confirm the extradition order, but South Africa said all the necessary documents had been signed.

The fugitive official, arrested last month, was transferred yesterday from a prison near Marseilles to Fresnes, close to Orly airport, Paris, apparently in preparation for being flown home.

Quentin Peel adds from Johannesburg: Dr. Rhoodie's extradition is likely to result in one of the most sensational trials in South African legal history. The reputations of several leading politicians hang on the outcome.

He will be charged on seven counts of theft and/or fraud involving more than R83,000 (£45,000) of funds supposed to be used for secret projects to buy or win South Africa international support.

Dr. Rhoodie has protested his innocence of any corruption, insisting that all his transactions related to the secret projects of his department. These included attempts to buy control of foreign media, bribing of politicians, and the largest project of all, the financing of a pro-government newspaper, The Citizen.

The scandal surrounding his secret operations has already resulted in the resignation and disgrace of Dr. Connie Mulder, the former Information Minister, and Mr. John Vorster, the former Prime Minister and state President. However, Dr. Rhoodie has claimed that Mr. P. W. Botha, the present Prime Minister, and Senator Owen Horwood, the Minister of Finance, were also involved in his operations.

There is a real possibility that the state will apply for parts, if not all, of Dr. Rhoodie's trial to be held in camera, on the grounds that it could affect state security. If that happens, Dr. Rhoodie has threatened to release pre-recorded tapes of his story

Spanish Ford and unions set for trial of strength

BY ROBERT GRAHAM IN MADRID

FORD, one of the first big companies to resume production in Spain after the summer break, has immediately run into industrial unrest. Management and unions are preparing for a trial of strength which could have important effects on industrial relations this autumn.

In a series of meetings at Ford's Almusafes plant near Valencia, workers agreed to continue their policy of "non-co-operation." This involves a ban on overtime, refusal to work Saturday shifts, and a form of work-to-rule.

This policy has been employed since the beginning of acrimonious negotiations on a new pay and work conditions agreement in February.

As a result, production of 32,000 units has been lost in the first eight months—almost 12 per cent of projected annual output. Production costs have risen sharply because of non-co-operative labour practices.

The decision to renew the policy of non-co-operation was taken after nine workers were sacked just before the holiday break. According to union officials, this gave no time to protest against the dismissals.

The Ford management believes it has been singled out by the Spanish unions. However, since the Almusafes plant started up in 1976, management has taken a tough line with its 10,200-man workforce.

So far, some 82 workers have been sacked, including at least 30 this year. Some of them leading members of the works council.

One of the principal preconditions the unions are demanding for a return to normality at Almusafes is the reinstatement of sacked workers. Ford is refusing to do this.

Earlier this year, a hunger strike by 13 sacked workers failed. The latest tactic is a refusal this week by the works council to recognise the management of Ford España as a viable negotiating body.

A 10-day national strike of small road hauliers began yesterday but is having only a limited impact on road freight. The strike has been declared illegal by the Government and criticised by unions.

The Transport Ministry said the Small Road Hauliers Association, which had called the strike, accounted for under 2 per cent of the country's trucking fleet. It would therefore be unlikely to have a significant effect.

But management and unions were yesterday less sanguine about the possible repercussions which will not be fully felt for several days.

The strikers believe that existing laws discriminate against small operators and that freight tariffs are unrealistically low.

BP makes find off Ireland

By Ray Dafter, Energy Editor

BRITISH PETROLEUM has discovered hydrocarbons—oil or gas—off the west coast of Ireland.

The company was yesterday conducting tests in an exploration well drilled on block 26/28 in the Porcupine Trough about 180 miles west of Galway. A statement about the find is expected in the next few days.

BP, as operator of a seven-company exploration group, refused to comment on the find's significance. However, as it is using the drilling rig Sedco 703 to carry out tests, plainly some hydrocarbons worthy of investigation have been identified. Their commercial significance will not be known for some time.

However, the find is bound to raise oil industry hopes of opening up a new oil producing sector in the Porcupine Trough where the geological signs are encouraging.

Phillips has already made a small discovery in the area. In October the group announced that it had tested oil at a flow rate of 730 barrels a day in an exploration well sunk on block 35/8. Although deemed non-commercial, it was the first encouraging oil strike in a 20-year search around Ireland.

Earlier this month, it was learned that Chevron Oil had completed a well on block 35/11 without finding hydrocarbons of commercial significance.

Marchais dubious on new Union of Left

BY DAVID WHITE IN PARIS

A FRENCH Socialist proposal to revive the ill-fated Union of the Left was greeted with reserve by M. Georges Marchais, Communist party leader, yesterday.

In a television interview, M. Marchais said he "took note" of the proposal launched by M. François Mitterrand, the Socialist leader, in south-west France on Monday. But he would have to wait and see what to make of it.

M. Mitterrand's proposal for a step-by-step return to a common opposition front by way of a "rank-and-file union" went in the same direction as Communist policy, framed in similar terms at the party's congress in June this year, M. Marchais added.

A union built on common action between militants was the only means of creating the conditions for a solid and durable alliance capable of winning elections. But it was not in anybody's power at present to say when a proper Union of the Left might be revived, or what form it might take.

The Socialist leader's statements gave rise to "certain preoccupations," Mr. Marchais went on. In particular, he believed the Socialist Party was setting its sights on the Presidential election in two years' time, rather than on tackling immediate problems. This showed up "a difference of attitude." The Communists were not prepared to put things off until then.

Repeating his recent, much quoted dictum that he would be "ready to form an alliance with the devil," M. Marchais said the Communists sought common action with any forces that wanted to join in. But they would not consent to compromises or the creation of false illusions.

He reminded M. Mitterrand that the Communists still blamed him for the collapse of the Left's joint platform at last year's General Election.

A cool Communist response to M. Mitterrand's latest initiative was already taken for granted, particularly at a time when the Communists have been seeking to be the first to exploit a deteriorating economic situation in order to reinforce their shop-floor support.

● French rail traffic was seriously disrupted yesterday on the first day of a 48-hour strike over drivers' staffing levels and working conditions, Robert Mauthner writes.

Only about one in five main line and suburban trains was running from Paris yesterday.

M. Joel Le Theule, Transport Minister, said the two-day stoppage would cost the SNCF, the nationalised railway company, about FFr 100m

This would completely wipe out the surplus of receipts over original forecasts, built up by French railways this year. If any more stoppages occurred on the railways, the SNCF would again face a growing deficit.

Swiss plan 5% energy cut

BY BRIJ KHINDARIA IN GENEVA

THE SWISS Government is preparing a campaign to be launched in October to try to achieve a cut in energy consumption of about 5 per cent this winter.

The 5 per cent target was laid down by the Paris-based International Energy Agency to encourage a Europe-wide effort to reduce oil imports.

The Berne Government has earmarked about SwFrs 1m (£271m) for the media campaign which will highlight the need for energy conservation and offer suggestions, especially for industry, drawn up by the Energy Ministry.

Switzerland has emerged substantially unscathed from the energy crisis because of its hydro-electric resources and large oil stocks. However, with growing opposition to its ambitious plans to build nuclear power stations, the Government is becoming increasingly worried that the 1980s might see a tight squeeze on energy supplies.

Mr. Willy Ritschard, the Swiss Energy Minister will make a keynote speech on national television and radio next month.

● The four major Swiss banks have decided to raise with immediate effect their time deposit rates for non-bank clients to 1.25 per cent from 0.75 per cent for three to five month deposits, Reuter reports from Zurich. The rate has been raised to 1.75 per cent from 1.25 per cent for six to 11 month deposits and to 2.25 per cent from 2 per cent for one year deposits.

German arms deal inquiry

BREMEN — The assistant to a leading Social Democratic politician has been suspended from duty pending an inquiry into alleged Middle East arms deals, an official spokesman said yesterday.

Herr Ralf Dieter Wienrich, 39, is accused of working for an arms concern as a salesman on commission in his spare time.

Eight months ago he became Press assistant to Herr Hans Koschnick, head of the Bremen State Government and vice-president of the Social Democratic Party.

In Karlsruhe, West Germany, a socialist member of the Bavarian State Parliament is to stand trial on spying charges, the Chief Federal Prosecutor said yesterday. Herr Friedrich Cremer, 59, is alleged to have spied for East Germany from 1975 to December, 1978. If found guilty he could face up to five years in jail.

Reuter

Robert Graham reports from Madrid on Spain's hesitant steps towards forming a foreign policy

The problem of picking priorities

WHEN THE dictator of the small West African state of Equatorial Guinea was overthrown earlier this month, Spanish officials were almost proud to let on that Spain had prior knowledge of the coup in its former colony.

Within an hour of the takeover, Spain recognised the new Government. Sr. Marcelino Oreja, the Spanish Foreign Minister, took time off while accompanying Premier Adolfo Suarez on a visit to Brazil to make a special statement. The head of the Foreign Ministry's African department, who happened to be in neighbouring Cameroun the day before the coup, saw the country's new ruler the day afterwards. And five days later the number two in the Spanish Foreign Ministry was leading a delegation to the former colony.

The Equatorial Guinea affair is an example of how the Spanish Government has begun to realise that foreign policy can be exploited in domestic politics—in particular to divert attention from unpleasant news of home. Another example was the extensive media coverage here of Sr. Suarez's nine-day visit to Brazil, Ecuador and Santo Domingo earlier this month. But so far this exploitation has been a trifle clumsy.

The self-congratulatory attitude towards the Equatorial Guinea coup has been ridiculed in private by foreign diplomats in Madrid, who consider the Spanish grossly overreacted — and moreover laid themselves open to the charge of interfering in domestic African politics.

Such over-reaction and ingenuousness can be put down largely to inexperience. The Suarez Government inherited an inward-looking Spain that for also 40 years had been shunned because of President Franco. Even now within the administration there are a number of senior officials and Ministers who retain this insularity, tinged with a certain chauvinism.

Sr. Suarez himself speaks no foreign languages although he has begun to learn English. Associates say he has had to fight a reluctance to travel and in almost three years of office has made remarkably few foreign visits. His recent trip to Latin America was the first where he appeared to be enjoying himself.

Sr. Marcelino Oreja . . . no strategist.

Free from the isolation of the Franco era, Sr. Suarez and his ministers have hesitated over which direction to go in foreign affairs. As a result, there is little distinction between policies with emotional appeal, like historic ties with Latin America and those with practical value, like good relations with Europe. The most consistent element is residual anti-Communist sentiment.

Spain has committed itself to become a member of the EEC—a move supported by all political parties. At present 40 per cent of Spain's exports go to, and 34 per cent of all imports come from, the Community.

The Government still sincerely sticks to the belief that Spain occupies a special status both in East/West relations and in the dialogue between industrialised and developing countries, in particular, because of historic ties, with the Arab world and Latin and Central America. Spain has just been accepted as an observer in the Andean Pact and has moved to obtain an invitation to the forthcoming non-aligned summit in Havana.

Flirtation with the non-aligned has been accompanied by statements that Spain does not want to tie itself to any of the superpower blocs. In July the American nuclear submarines left their base at Rota, an early departure sought by the Spanish. But this attempt to be independent is at variance with the continued existence of a defence treaty relationship with the U.S. and two U.S. airbases on Spanish soil, at Torrejon near Madrid and Saragossa.

The American defence umbrella, which has existed since the early 1950s has shielded the Spanish from serious strategic thought about defence. Thus with less than two years to run before the expiry of the present bilateral defence arrangements with the U.S., the Government demonstrates a blind faith that something will work out.

The Americans want to steer Spain gently into the North Atlantic Treaty Organisation alliance. The ruling Union de Centro Democratico of Sr. Suarez has accepted the principle of NATO membership. However none of the current Cabinet has given a government commitment to joining the alliance and there is some playing to a sense of national neutralism. NATO itself has no desire to force the issue and could accept a form of integration without membership.

The heritage of the Arab conquest of Spain provides a formidable potential link with the Middle East, and Spain has long talked of its special relationship with the Arab world. Spain has even refused to establish diplomatic relations with Israel. Yet remarkably little in concrete terms has been done to exploit this position. Spain has not been singled out either for a political mediatory role or for special commercial and financial treatment.

One exception is Libya which sells a portion of crude oil on credit which is to be turned into a five-year commercial loan worth $130m this year.

Spain will almost certainly have to align its Middle East foreign policy with that of the Community in the near future, which would mean establishing diplomatic relations with Israel.

Surprisingly little has been done practically to exploit historic ties with Latin America. At the commercial level many products are mutually exclusive and Spain sells only ten per cent of exports to Latin America.

The bigger commercial carrots are coming from repressive regimes like Argentina, anxious of Spanish diplomatic support. The Government is torn between making domestic political capital out of associating with the progressive governments or promoting trade regardless of politics. Thus just before the fall of Somoza in Nicaragua the Government disarmingly announced that although it opposed the removal of Somoza, the Spanish Embassy in Managua was doing more than any other Embassy to help the opposition. It is now seeking to be the Sandinistas' best friend.

At the same time Sr. Suarez drags his heels, on Argentinian and Chilean pressure, over the introduction of a law granting political asylum to the thousands of Latin American exiles living here.

Quite frequently gestures are made with insufficient quid pro quo. Earlier this year Sr. Suarez visited Algiers and met members of the Polisario Liberation Movement, subsequently approving a statement that effectively recognised the latter's right to the former Spanish Sahara. Not only did he obtain no apparent concession, but threw away any chance Spain might have had as an arbitrator between Algeria and Morocco over the conflict.

Another unfruitful gesture was the refusal of permission to U.S. F-111s to stop in Spain en route for Saudi Arabia. This enfuriated the Americans and registered little with Iraq and Libya, who were meant to notice, and the aircraft were allowed to stop on their return.

Reluctant traveller Prime Minister Adolfo Suarez (left), pictured in Holland on one of his few foreign visits since coming to power.

Such moves reflect the confusion that surrounds foreign policy. Sr. Oreja is a political lightweight and is used frequently as an errand boy rather than the startegist. European affairs are firmly in the hands of the Minister for Europe, Sr. Leopoldo Calvo-Sotelo.

The real danger of the present situation is that—by pointing in too many directions —the Government forgets where its real interests lie. For instance, Spain's greatest single priority is good relations with France, yet these are extremely tense over the Basque separatism and the question of agricultural imports. This is to say nothing of Spain's static attitude on Gibraltar which continues to cloud relations with another major partner, Britain.

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Baghdad 'abandons plans for union with Syria'

BY IHSAN HIJAZI IN BEIRUT

IRAQ IS reported to have dropped all plans for union with Syria in the wake of charges that Damascus was involved in last month's conspiracy to unseat President Saddam Hussein.

A Lebanese correspondent, reporting from Baghdad in the leftist daily newspaper As Safir, said yesterday that the Iraqi authorities have taken down signs put up in the streets earlier this year hailing the "pan-Arab charter" with Syria.

The correspondent noted that the state-controlled Baghdad Radio has dropped a special programme on Syria, initiated after the charter was concluded. The Baghdad Press, also run by the Government, now carries no mention of Syrian news and developments.

"The days of a special bilateral relationship between Iraq and Syria are very clearly over," the correspondent concluded.

According to Arab diplomats, President Hussein is so angry with Damascus that on two occasions he has refused to speak to Syrian officials who have been trying to telephone him for days.

Last week, the Iraqi President sent emissaries with letters to Arab heads of state in capitals apart from Damascus and to Mr. Yassir Arafat, leaders of the Palestine Liberation Organisation.

In the letters, President Hussein stressed that Iraq will adhere to the resolutions for solidarity adopted at the Arab summit conference held in Baghdad last November. The resolutions were primarily aimed at opposing the Egyptian-Israeli treaty and isolating the régime of President Anwar Sadat.

Arab diplomats say the Iraqi régime is at present engaged in a reappraisal of its policies. They expect Baghdad to move away from Syria, and closer to Saudi Arabia and the Gulf states.

Both Syria and Iraq made a special effort not to let their conflict out into the open. But the Iraqi Government will have to at some stage when it will make its charges against Damascus public, according to As Safir.

It was also noted that mediation by the PLO and King Hussein of Jordan has produced no resolution of the Syrian-Iraqi crisis.

David Lennon adds from Tel Aviv: Israel has refused permission for Mr. Bassam Shaka, Mayor of Nablus, on the occupied West Bank, to travel to the U.S. to attend pro-Palestinian meetings.

Another prominent mayor, Mr. Fahad Kawassi, of Hebron, is still awaiting a reply from the Defence Ministry to his request to be allowed to travel to the same meetings.

Mr. Shaka has been given a "point-blank refusal without conditions" by the Israeli authorities. Israel fears the mayor would have exploited his U.S. visit to attack Israel and the Palestinian autonomy plan.

Mr. Shaka is an outspoken supporter of the PLO, and in June, led a protest march against the establishment of the Eilon Moreh Jewish settlement beside his town.

Pakistan rescheduling request 'rejected'

By David Dodwell

THE AID TO PAKISTAN Consortium is understood to have rejected fresh approaches from the Pakistan Government for rescheduling its debts, estimated at about $830m for the current year.

The Consortium, which comprises the U.S., West Germany, Japan and France as its main creditors argued throughout this year's negotiations that rescheduling is no solution to Pakistan's economic ills, and that the Government must accept an IMF-supervised austerity programme before fresh help is forthcoming.

General Zia ul-Haq, Pakistan's President, has been in Saudi Arabia during the early part of this week on pilgrimage to Mecca. He is expected to make a "major speech on the economy" on his return.

An IMF-supervised austerity programme would be extremely unpopular with the Pakistan public, especially after a severe budget just two months ago imposed new taxes and cut subsidies on consumer goods. It is believed that the Government does not want to attract more criticism while it is preparing for a transfer to civilian rule, promising elections in just three months.

General Zia claims the country "desperately needs" outside help if it is to overcome its debt servicing crisis

Just three months ago, the Aid to Pakistan Consortium, led by the World Bank, refused to reschedule Pakistan's growing debts. Instead, it recommended that the Government put its fiscal policies under IMF control, and adopt a full stabilisation programme.

Pakistan rejected the Consortium's proposal, but has been forced to return to it as the economy has deteriorated over the summer. The consortium has refused to budge.

IRANIAN REVOLUTION BOOSTS HOPES OF AUTONOMY

Iraqi Kurds exploit discord

BY PATRICK COCKBURN, RECENTLY IN TEHRAN

THE FALL of the Shah and the virtual collapse of Government authority in the far western areas of Iran have given a major boost to the Kurdish rebels in neighbouring Iraq.

Despite the military mobilisation ordered by Ayatollah Khomeini against the Iranian Kurds it is unlikely that the Government will be able to regain firm control of the mountainous border regions.

Four years ago the last major Kurdish rebellion, led by General Mustapha Barzani, the Kurdish Democratic Party leader, collapsed when the Shah closed the Iranian border, severing Iraqi Kurds supply routes. The ending of the revolt, which had gone on as a hot and cold war since 1961, was considered one of the major achievements of the Baath party.

Since 1975 there have been sporadic, if increasing, guerrilla attacks, although these were ultimately restrained by the agreement between the Shah and Mr. Saddam Hussain, the effective Iraqi leader.

The Iranian revolution has ended this detente. Officials of the ruling Baath party in Baghdad make no effort to conceal their extreme dislike of Khomeini. On the Iranian side of the Iraqi border early this month heavily armed Kurdish guerrillas, in full battle dress, were everywhere in evidence.

The guerrillas are led by the provisional leadership of the Kurdish Democratic Party, whose seven-member politbureau is headed by Massoud Barzani, son of the party's original president. He claims that there are now 5,000 guerrillas—known as Peshmerga—in Iraqi Kurdistan facing some six Iraqi divisions.

Since attacks restarted in April, 1976, the Kurdish Democratic Party strategy has been to launch small unit assaults. Initially these came from across the Turkish border and were concentrated in northern Kurdistan around Zakho.

Three bases were established in the region which came under heavy, but unsuccessful Iraqi attack in April. Some 300 Iraqi troops were killed and four or five helicopters shot down.

The Iraqi military strategy has been to clear a 20-kilometre wide cordon sanitaire of all Kurdish inhabitants along the borders with both Iran and Turkey. Those removed are placed in strategic townships in the plains particularly near the city of Arbil. A vast road building scheme has been carried out to improve military communications

There is little doubt that the Iraqi army has had the strength in the past to hold its ground. So long as the Shah remained in power he could restrain but not stop, infiltration of men and supplies across the border. Apart from the physical difficulties of policing the mountains he wished to maintain the potential threat of a Kurdish rebellion to be used when necessary against Baghdad.

The Shah's departure has not only enabled the Kurds to step up warfare but has faced Saddam Hussain with the dangerous threat of dissidence from the Shia sect which is 50-60 per cent of the Iraqi population. The Baath party and army leadership is Sunni dominated. Massoud Barzani sees the real chance of Kurdish victory in the creation of a common front of anti-Baath forces—Kurds, Shia, Communists and dissident Baath party members.

The Communists, whose organisation has been much weakened in the past few years, still remain a potential focus of opposition.

The conspiracy within the Baath party against Saddam Hussain has also increased Kurdish hopes. The five executive members of the ruling Revolution Command Council were proteges of Saddam Hussain. Worrying also for the government in Baghdad is the involvement of 50 army officers, equal to or over the rank of captain.

On October 1 the Kurdish Democratic Party will hold a conference within Iraqi Kurdistan to reorganise the party. They are then likely to step up attacks. Their long term aspirations for autonomy, return of Kurds resettled away from their villages and the "democratisation" of government in Baghdad essentially means they see no hope without destroying the Baath party's power.

Their own strength is insufficient for this, though they already tie down over a quarter of the Iraqi army. Their previous attempt to co-operate with the Baath between 1970 and 1974 broke down. Baghdad has already offered talks and the Kurdish Democratic Party now expects this offer to be renewed. But the triumph of Khomeini in Iran and the evidence of faction fights within the Baath make it unlikely that the Kurdish leadership will seek any compromise.

Mountain fighting

Kurdish rebels deployed tanks and anti-aircraft batteries in fighting near their mountain stronghold of Mahabad yesterday and an Iranian army commander said he was ready to chase them into Iraq if ordered. Reuter reports from Tehran. Witnesses quoted a senior member of the banned Kurdish Democratic Party as saying Mahabad could resist the army but not the air force. The evening newspaper Eitela'at reported that 75 rebels and 14 revolutionary guards had been killed in fighting.

UK protest on expelled journalists

BY OUR FOREIGN STAFF

BRITAIN officially protested to Iran yesterday over the expulsion of the Financial Times and BBC correspondents from Iran.

Mr. Andrew Whitley, the Financial Times resident correspondent, and Mr. Towyn Mason of the BBC, were on Tuesday given a week to leave the country. Three other European journalists were also given expulsion orders.

Sir John Graham, the British ambassador, yesterday delivered a firm protest to the Iranian Minister of National Guidance, Mr. Minachi.

In London the Foreign Office said: "We deplore the Iranian action in expelling two British journalists. The British Press and the BBC have earned a well-founded respect for objectivity in their reporting of events during the revolution in Iran."

Famine threat to Kampuchea

BY RICHARD NATIONS IN BANGKOK

FAMINE AND epidemic now threaten to kill as many people in Kampuchea as did four years of Pol Pot's terror. This raises the prospect that extinction of the Khmer as a nation could supercede the Vietnamese boat refugees as the most tragic victims of revolution and war in Indochina.

This is the view of a growing number of diplomats and international agencies who—because of the paucity of news from this crisis-prone country—remained sceptical until recently of the scattered but alarming signals of famine in Kampuchea.

Despite the columns of exhausted refugees which have been crossing into Thailand from Western Kampuchea for some months, many observers have assumed that the Vietnamese army had organised cultivation in the long-pacified and fertile plains in the eastern part of the country between Phnom Penh and the Vietnamese border.

But a break in the monsoon clouds earlier this month permitted satellite photographs which showed a shocking mosaic of public disorder and primitive subsistence.

Only fields closest to the scattered villages were planted; distant and more fertile fields—even in the "secure areas"—were abandoned; there was virtually no sign of livestock, and no communication between thinly-spread and makeshift settlements in what was once the most populous part of the country.

"There is no administration in the country. The picture is one of an unrooted people too fatigued, frightened or shell-shocked to move out of sight of home," one diplomat commented.

Slim chances of food for the large itinerant population of refugees.

Estimates are that not more than 5 per cent of the cultivatable area is sown. This crop may secure the survival of those who planted it, but there will be no surplus for the itinerant population strung out in shanty towns along the roads or huddled near Vietnamese military installations.

Recent Western visitors to Phnom Penh talk of malaria, dysentry and bubonic plague preying upon the vulnerable population.

Since the beginning of August the Vietnamese have begun to admit publicly that the 4m Kampucheans they estimate to have survived Pol Pot's régime now face death from disease and sarvation. Nonetheless, Hanoi has offered but limited co-operation to facilitate urgent relief.

A recent joint mission by the Red Cross and the United Nation's Children's Fund (UNICEF) to Vietnam and Phnom Penh managed to negotiate a small pilot project to supply two hospitals in the Cambodian capital.

The Red Cross was satisfied that distribution of the 4.4m tonnes of medicines flown into Phnom Penh (on commercial flights from Geneva to Ho Chi Min City and from there on a special Vietnamese chartered flight) was fair and adequate.

But the team was not allowed to travel outside the capital, except to nearby Kampong Speo, to survey the presumably more desperate needs of people isolated up country. Relief officials say that they insist upon independent survey and monitoring of distribution before initiating any relief operation.

Even with Hanoi's co-operation, logistics and security remain formidable obstacles to moving the hundreds of thousands of tonnes of food and medicines estimated necessary to open relief centres in the provinces.

S. African power links sought

BY QUENTIN PEEL IN JOHANNESBURG

TWO NEW trans-national power links in southern Africa which would significantly extend the economic control South Africa exercises over its neighbouring states are under consideration and may be approved in the near future.

Namibia (South West Africa) and Botswana have asked the South African Electricity Supply Commission (ESCOM) to investigate the possibility of linking them to the South African power grid to cope with their peak electricity demands.

Such a move would reduce their dependence on diesel-fuelled electricity generators following the quadrupling in price of diesel over the past 18 months but further reinforce their dependence on South Africa.

The most immediate plans are those of Namibia, whose electricity supply commission wants to build a power line from Aggeneys, close to the South African border in the north-west Cape Province to Windhoek. A sum of R25m (£13.5m) has been set aside from the administration budget in the territory towards the estimated R50-R60m (£27-£32m) cost of the line, which would have a capacity of around 100 MW.

The territory is facing potential electricity shortages at peak periods, because of the failure to bring the 240 MW Ruacana hydro-electric scheme, which straddles the Angolan border on the Cunene River, into full operation. In spite of several contacts between the electricity commission and Angolan Government representatives no agreement has been reached to close the sluice gates on the Angolan side, or complete the Calueque Dam to regulate water supplies. Thus the Ruacana scheme can only operate during the five rainy months of the year—from January to May—and then only at a fraction of capacity.

Botswana's need for imported electricity has been caused by the fuel crisis and the discovery and development of the major new diamond mine at Jwaneng, close to the southern border with South Africa.

The original plan for the mine provides for diesel-fuelled generators to supply its 15mw requirements, but the high price of the fuel has forced the Botswana Government and Debswana, its joint mining operation with de Beers, to reconsider.

It is understood that a formal approach to ESCOM, asking for a feasibility study on building a power link was made during a recent visit to South Africa by Dr. G. K. T. Chiepe, the Botswana Minister of Mineral Resources. The line would run to Gaborone, whose existing power station has a capacity of only 20MW.

The Botswana Government is carrying out a feasibility study on a possible power station at Morupule, using large-scale steam coal deposits in the area. But such a plant would not be commissioned until the latter half of the next decade.

The logic of the proposed link to South Africa would include the possibility of future exports of surplus electricity from Botswana to South Africa, if the Morupule power station goes ahead.

If the new links are approved, they would extend the South African grid to include all its neighbouring states, including Mozambique, which provides hydro-electric power from Cabora Bassa, and Rhodesia.

UK rebuffs Third World on more cash for science

BY PAUL LENDVAI IN VIENNA

BRITAIN yesterday gave a flat "no" to the demands of the developing countries for more money at the United Nations conference on science and technology in Vienna. Observers see it as perhaps the toughest line to be taken by a major power on the issue.

Mr. Neil Marten, UK Minister of State, Foreign Office, said Britain was against spending more money on new international bodies and had no money left for financing development projects discussed at the conference.

However, Britain was considering setting up a technology transfer centre to increase access by Third World countries to technology, the Minister added.

The developing countries are demanding that a new body be set up to administer an independent fund based on contributions from the industrialised countries, to the tune of £1bn per annum by 1985, rising to £2bn by 1990.

West Germany has also taken a firm line against new bureaucracies and more funds for development aid. But Italy and Belgium have expressed willingness to compromise.

The Americans are evidently in favour of a compromise along the lines suggested by the UN development fund. This would provide up to £150m over two years to speed the transfer of technology to the developing countries.

Vietnam oil prospects disappoint West

SINGAPORE—Early euphoria about Vietnam's offshore oil potential has started to wear thin, according to oil industry representatives.

Bow Valley Industries said it has already abandoned two exploratory wells as dry and has not commenced further drilling.

Bow Valley, a consortium of four Canadian companies, is committed under an agreement with Vietnam to drill four wells by the end of 1981

Other Western companies involved in exploration, Deminex of West Germany and Italy's state-owned AGIP have also failed to strike oil.

Deminex abandoned two wells to the east of the Bow Valley concessions

Reuter

NY bank security under heavy fire

By Our New York Correspondent

NEW YORK bank robbers escaped in a fish truck with close to $2m in cash on Tuesday, as 10 more banks were held up. This brings the total of robberies in August to 119.

Mr. Robert McGuire, the New York City police commissioner, has angrily criticised bank security.

"It appears to be open season on banks in New York," he said. Mr. McGuire claimed banks were neglecting security in favour of "aesthetics."

The reference is to the efforts banks have made to make their fortress-like branches more attractive, taking down grills or glass panels which separate tellers from customers. The trend is particularly marked in New York, where retail bank branches have not been highly profitable, and banks are experimenting with innovative marketing techniques.

In addition, however, the police say banks have been economising on security to try to reduce their branch banking costs.

Armed security guards are still quite common in branches, but the guards are apparently reluctant to take on the robbers for fear of wounding customers, who could claim compensation disproportionate to the amount of money being stolen.

Iran buys U.S. oil

The U.S. Commerce Department has approved the sale of $47m-worth of paraffin and diesel fuel to Iran, AP reports from Washington. Commerce Department export licences for the fuels, of which there is a shortage in the U.S., were issued on August 3, a Commerce Department spokesman said.

Japan invites Pinochet

President Augusto Pinochet of Chile has been officially invited to Japan, Mr. Sunao Sonoda, Japan's Foreign Minister, said in Santiago, Reuter reports from Santiago.

Mexican amnesty

Over 900 prisoners in Mexico will soon be released, the fifth group to be granted amnesty after last September's decree by President Jose Lopez Portillo, Reuter reports from Mexico City. Over 800 of the prisoners were squatters who had taken over private land, the Interior Ministry said.

U.S. drops compromise plan for Palestinians

BY DAVID BUCHAN IN WASHINGTON

THE U.S. will propose no compromise resolution supporting Palestinian rights at the United Nations Security Council debate expected to start in New York today.

Mr. Robert Strauss, the U.S. mediator in the Palestinian autonomy talks, confirmed yesterday on television that the Administration had "abandoned" plans for a U.S.-sponsored resolution, after Israel and Egypt, in varying degrees, had objected.

This decision was taken at a Washington meeting between Mr. Strauss and other top foreign policy aids on Tuesday, and was apparently approved by the President, still vacationing on the Mississippi.

Mr. Strauss, who returned from Israel on Monday, is likely to visit the Middle East again early next month. He may then visit such moderate Arab states as Saudi Arabia to explain why the Administration has had to stop trying to bring the Palestine Liberation Organisation (PLO) into the peace-making process since Mr. Andrew Young resigned as UN Ambassador for holding unauthorised talks with the PLO.

Mr. Strauss did not say yesterday that the U.S. would veto a pro-Palestinian draft resolution at the Security Council debate. But he suggested that only the mildest resolution which did not mention a separate Palestinian state, would win U.S. acquiescence.

On U.S. tactics in today's council debate, which will be chaired by Mr. Young, Mr. Strauss said: "We will urge and we will encourage that a resolution not be brought up—and if one is brought up we will take such action as we deem appropriate." Such action, he said, could include a veto.

Without a U.S. draft resolution, the council debate is expected to centre on a Nigerian-sponsored resolution which proclaims the Palestinian people's right to national independence. Nigeria is the sponsor because it is the only member of the 23-country Palestine Rights Committee of the UN now on the Security Council.

Prime rates may rise further

BY STEWART FLEMING IN NEW YORK

SOME commercial bankers are warning that a further increase in bank prime rates, to a record 12¼ per cent, may not be far off.

They point to rising costs of funds to the banks themselves, which the banks will want to pass on to their customers, as one possible contribution

Bank officials also point out that the largest U.S. banks are enjoying buoyant loan demand from business, which makes it easier to raise lending costs without fear of being undercut.

One sign of a possible further prime rate increase has been the move by several major banks to increase the interest rate they charge their stockbroker customers for loans backed by securities.

Int he past few days, Chase Manhattan Bank and Security Pacific Bank have raised broker loan rates to 11¾ per cent and 11¾ per cent respectively. Chemical Bank followed suit yesterday with an increase from 11½ to 11¾ per cent. The broker loan rate often gives a lead to the trend of the prime.

There have also been increases in short-term money market interest rates this week, after last week's moves to tighten credit by the Federal Reserve Board.

Citicorp, for example, paid a rate of 10.947 per cent at its regular weekly auction of commercial paper on Tuesday, up from 10.765 per cent a week ago. Since mid-year money market interest rates have risen by almost a full percentage point—in the past four weeks by around half a percentage point.

The sharp rise in interest rates and heavy demands for credit are leading top bankers and money market executives to ask whether the U.S. could now be approaching a credit squeeze similar to that which occurred in 1974.

Somoza may invest in Paraguay

BY ROBERT LINDLEY IN BUENOS AIRES

Gen. Alfredo Stroessner.

GEN. ANASTASIO SOMOZA, the ousted President of Nicaragua, plans to stay in Paraguay indefinitely, according to a Paraguayan official who visited him.

Gen. Somoza intends to "dedicate himself to production activities, presumably in the interior of the country," the official said.

Gen. Somoza is believed to have promised to invest a sizeable part of his fortune, reputed to exceed $1bn, in Paraguay, in return for political asylum.

Paraguay was the only country to vote against the Organisation of American States motion on June 23 demanding Gen. Somoza's removal from power.

Political opponents of President Alfredo Stroessner, who celebrated his 25th anniversary of uninterrupted power in Paraguay last week, have been most outspoken—all things considered—in their criticism of Gen. Stroessner's welcome for his old friend Gen. Somoza.

A Christian Democratic Party document says, in part: "The officially authorised presence of the ex-President of Nicaragua . . . again places Paraguay against the free peoples of the hemisphere and of the world. . . ."

Even some of Paraguay's "independent" Press is strongly critical. Gen. Somoza's arrival, says the Asucion La Tribuna, "could generate certain kinds of frictions with other countries, and also could be a new negative element for the international image of our nation."

The governing junta in Managua has announced that, although there is no extradition treaty between Nicaragua and Paraguay, it will ask for Gen. Somoza's extradition.

Raymond Whitaker, recently in San Juan, reports on the issues at stake in the forthcoming elections

Identity crisis for Puerto Rico

TAX RETURNS are being used with stinging effect in the race for the governorship of Puerto Rico, the Caribbean island which has been under U.S. dominion since the Spanish-American War of 1898.

Sr. Carlos Romero-Barcelo, the present Governor, and Sr. Rafael Hernandez Colon, who will be his main opponent in next year's election, are accusing each other of past improprieties in their tax statements. Press and public are follow the affair with relish.

But the bitterness of the wrangle at such an early stage indicates the importance of the election, in which both the governorship and the composition of the legislature will be decided.

Whoever comes to power will be seeking broad changes in Puerto Rico's status, and it will be difficult for Washington to resist the pressures if either man gets a clear mandate.

The island is officially called the "Commonwealth of Puerto Rico," which makes it neither a state nor an independent territory. Federal laws apply to it when the U.S. Congress says so, but no consistent pattern can be discerned in its decisions.

The main difference between Puerto Rico and the rest of the union is that Puerto Ricans do not vote for Congress or the President, but on the principle of "no taxation without representation," they do not have to pay Federal taxes.

Sr. Romero is saying that if he is re-elected next year he will hold a referendum in 1981 on whether the island should become the 51st state of the union.

His opponent, aware that the existing concept of commonweath is beginning to seem out of fashion, has proposed a "new thesis," calling for much wider autonomy while retaining association with the U.S.

Formal independence is not on the cards. Since 1960 the vote for independence movements has never been more than 10 per cent, and was only 6.4 per cent in 1976.

Despite the island's proximity to Cuba—or perhaps because of it—the vote for the Marxist-Leninist party four years ago was barely in five figures.

Although Puerto Ricans have been U.S. citizens since 1917, there was little political or economic development until after the last war. In the late 1940s "Operation Bootstrap" was launched to transform the island's one-crop economy, based on sugar, and Puerto Rico was given the right to elect its own governor and other officials.

Former governor Luis Munoz Marin, the grand old man of Puerto Rican politics, conceived the idea of commonwealth and saw it implemented in 1952. Since then, however, constitutional development has been somewhat dormant.

The same was not true of the economic picture. "Operation Bootstrap," using a package of incentives which included exemption from corporate taxes for up to 30 years, boosted growth by 10 per cent annually for more than two decades.

The first setback came after the oil crisis of the early 1970s and the U.S. recession that followed it. Gross national product in constant prices began to falter in 1976, declined by 2 per cent in 1975, and grew only 1.8 per cent the following year. Unemployment peaked at 20 per cent in 1977.

Although the pro-statehood vote has been growing and the pro-commonwealth vote declining at almost equal rates since 1952, economic conditions were probably also responsible for Sr. Hernandez Colon and his commonwealth-supporting Popular Democratic Party being ousted respectively from the governorship and control of the legislature in 1976.

Sr. Romero and his New Progressive Party took their election as a vote for statehood, and have been trying to bend commonwealth institutions in that direction ever since.

Both the main options—statehood or a modified form of commonwealth — have profound economic implications. The absence of Federal taxes has enabled the island's Economic Development Administration to design the tax incentives which have attracted around 1,800 companies, employing 1*.000 people.

Governor Romero is as conscious as anyone that Puerto Rico would be unable to stand on its own without tax exemptions. He is proposing that if statehood is granted, the exemptions should be phased out at the rate of 5 per cent a year for 20 years.

But if he can be accused of wanting to have it both ways, the same applies to the opposition. Senator Miguel Hernandez Agosto, president of the Popular Democratic Party, explains that the "new thesis" envisages continued commonwealth status, but with much greater powers for Puerto Rico to decide which Federal laws should apply to the island, to negotiate lower tariffs with other nations and to control immigration.

The ruling New Progressives feel that a 20 year transition period would be enough time for the island to play its full part as the 51st state, paying its share in Federal taxes and getting its due portion of Government funds. It would have two Senators, seven Representatives and nine electoral college votes for President at its present population.

While the statehood advocates regard Puerto Rico as being on the point of becoming a developed country, the commonwealth backers still see a long road to full development. JDAVY—42

Although the island's leaders proudly compare its living standards and political stability with Latin America's, it remains poor by U.S. standards, with personal income of $2,681 a head in 1977-78. More than half the population is entitled to food stamps, issued by the U.S. Government, which are redeemable in supermarkets.

In the fiscal year ended June 30, the value of food stamps to Puerto Rico has been estimated at $740m — an eighth of the entire U.S. budget for the programme. The stamps have become an alternative currency among much of the population, and Senator Luis Ferre, president of both the Senate and the New Progressive Party, concedes that it was the extension of the programme to Puerto Rico in 1975 that pulled the island out of the last slump.

But there are fears on many sides that the infusion of the stamps is creating a "welfare State" mentality which will erode the high productivity of the island's workers.

Puerto Rico is losing some of the other advantages which made it such a magnet to companies in the 1950s and 1960s. The tax incentives programme has been modified to increase the island's revenues, and the influx of new industry has slowed somewhat.

With a recession apparently under way in the U.S., these factors put a question mark against Puerto Rico's ability to weather the rough conditions ahead.

Preliminary estimates put the growth of real Gross National Product in 1978-79 at 5.4 per cent, with exports up 27 per cent by value, but the projection for the current year is for no more than 2 per cent real growth.

Puerto Rico has to import all its oil—the annual bill is now running at $1.2bn—but it is cushioned to some extent by re-exports of 50 per cent of the crude in the form of distillates from its three refineries.

Another rush of Federal aid may be needed to rescue the island. Federal payments already make up more than a third of GNP, and any rise could weaken Puerto Rico's case for statehood.

There are other difficulties. Many Puerto Ricans fear that their identity would disappear in the American melting pot.

Even if the island became the 51st state, it would insist on retaining Spanish as the official language and on entering its own sports teams in international events. Adding another star to the U.S. flag is not going to be easy.

Cable and Wireless in Indian Ocean deal

Financial Times Reporter

THE FIRST submarine telephone cable system in the Indian Ocean will be laid by Cable and Wireless, the British tele-communications company.

The company has been subcontracted to lay the cable by the submarine systems division of Standard Telephones and Cables, which has been awarded the £23m contract. The 1,350 nautical mile cable will provide a total of 480 telephone circuits.

The cable system, which will be laid from Madras to Penang is scheduled for completion by the end of 1980. It will eventually form part of the Commonwealth cable network planned by India, Malaysia, Sri Lanka, Australia, Singapore, Canada and Britain.

● The Export Credits Guarantee Department has guaranteed the repayment and funding of a $14.5m loan which Samuel Montagu has made available to Udruzena Kosovska Banka of Yugoslavia.

The loan will help finance a contract awarded to Dunlop by Gumarsko-Hemijska of Yugoslavia. Under the contract Dunlop is supplying technical and engineering assistance in connection with the building of a factory to produce 54,000 earth-mover tyres a year. The estimated cost of the factory at Suva Reka in the Kosovo area of Yugoslavia is $230m. Commissioning is scheduled for early 1983.

N. Zealand eases import rules

By Dai Hayward in Wellington

IN A major departure from a restrictive policy extending over the past three decades, New Zealand has made important changes to its import licensing system.

Previously, licences were granted to import raw materials or components used to produce export goods only if the components could not be made in New Zealand.

Packaging material was excluded from licensed imports. In many cases, components and materials made in New Zealand do not match the price, quality or technical content of those produced overseas. This has worked against New Zealand exporters who have been forced to use home-made, inferior components.

In future a manufacturer producing goods for export will be able to import raw materials or components if he can show that those available in New Zealand do not compare with the overseas equivalent on price, quality or technology.

Mr. Lance Adams Schneider, the Minister of Trade and Industry, who announced the relaxation, said the objective was to improve the quality and volume of New Zealand exports.

Import licences will also be more readily granted to companies which want to concentrate resources on longer runs with fewer products. They will now be able to import short-run items.

Siemens wins Nigerian order

MUNICH—Siemens has received orders totalling about DM 120m (£29.5m) from Nigeria for extensions to the communications network and electricity grid.

The Nigerian Communications Ministry has placed orders worth DM 70m for cables and cable-laying in Lagos. In addition the National Electric Power Authority has placed two orders totalling over DM 50m for extensions to power supplies in central Nigeria and switching equipment for the Shiroro hydro-electricity plant on the Niger River.

● The commercial vehicle division of Maschinenfabrik Augsburg-Nuernberg (MAN) has received a DM 110m order to supply Iraq's public transport authorities with 400 double-decker buses. The vehicles will be delivered over the period up to spring 1981

Reuter

UK plans major campaign to sell aircraft to China

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A MAJOR British aircraft industry exhibition is to be held in China in March and April next year in which virtually every major company in UK aircraft and equipment manufacturing will participate.

The aim is for the UK aerospace industry to try to win a big slice of the orders for aircraft, equipment and, more significantly, technological know-how, that will emerge in China in the 1980s and beyond.

The need for this type of equipment and technical knowledge was stressed this week in Peking by Mr. Chen Jie, Vice-Minister for Foreign Trade.

He said that China was particularly interested in the technology used in the development of the Anglo-French Concorde supersonic airliner, although there was no suggestion of China buying that aircraft.

At present, China uses 35 British-built Trident jet airliners, and is to build Rolls-Royce Spey engines under licence. It is also buying a small number of 707s from Boeing of the U.S.

But the rest of the Chinese civil air fleet comprises mainly elderly Soviet-built aircraft, and it will be in the market not only for many short- to medium-range airliners in the years ahead but also for technology to help it develop its own airliner manufacturing industry.

China is already known to want to buy the British Harrier jump-jet fighter. Mr. Chen said that having first shown interest in the aircraft in 1972, it now felt it was time for action.

"As far as we are concerned, the quicker the better. The process of discussion has taken too long," said Mr. Chen.

The UK aerospace exhibition is regarded as especially significant in view of the immense pressures now being generated by U.S. aerospace companies to boost their trade with China, especially in the civil airliner field.

Boeing is anxious to sell not only Boeing 747 Jumbo jets to China, but is also hopeful of winning orders there for its new generation 757 and 767 twin-engined short-to-medium range jets, "considered ideal for China's regional routes.

McDonnell Douglas is also interested in selling its new DC-9 Super 80 twin-engined short-to-medium range jet.

It has been estimated that over the next decade, China could buy up to as many as 200 jet airliners of various kinds, to replace its ageing fleet, worth between £1bn and £2bn.

Peking mission in Japan

TOKYO—A 16-member mission of Chinese economic officials has arrived here for a five-week visit to Japan to discuss corporate management at the country's major industrial companies.

The group was led by Ma Yi (Ma I), China's State Economic Commission Vice-Minister, and is made up of economic and financial leaders of the central and Peking municipal governments according to the Japan-China Association on Economy and Trade, which invited the mission.

The mission's main interest will be relations between big companies and their subcontractors and the division of labour between them, he said.

The mission members are also scheduled to met officials from the Japanese ministries of Finance, International Trade and Industry, Fisheries-Agriculture and Economic Planning to exchange views on government industrial policies and financial support to local governments, the association spokesman said.

The Chinese delegation has come at a time when China is involved in a three-year programme to upgrade corporate management as a major aspect of its national modernisation programme.

AP-DJ

El Al takes Boeing 767 option

BY OUR AEROSPACE CORRESPONDENT

EL AL, the Israeli airline, has taken an option on four of the new Boeing 767 semi-wide-bodied, 200-seat jet airliners, for delivery in 1983.

This is disclosed by El Al in a review of its 1978-79 results, which showed a loss of $23.9m (£11m), due to such factors as the strike in April, 1978, which closed the airline for a month, the loss of the profitable Tehran route, fares cuts on the North Atlantic, increased charter traffic to Israel, and rising fuel and labour costs.

The management is now involved in a rationalisation and restructuring programme to streamline the airline, to meet current and future market trends of low-cost mass transport.

A decision to convert the option on the 767s to a firm contract is likely either later this year or early in 1980.

El Al is the sixth airline to opt for the twin-engined short-to-medium range Boeing 767. Previous purchasers have been United, American and Delta of the U.S., and Pacific Western of Canada and Air Canada, with a total of 96 firm orders and 12 aircraft on option. Total options now number 16 aircraft.

Further orders or options are expected soon for Boeing's other new pet airliner, the smaller short-range twin-engined 757, for which so far British Airways has placed orders for 19 and Eastern for 21.

According to Mr. Ken Holtby, vice-president, new programmes, for Boeing, at least a dozen airlines world-wide are considering the purchase of up to 131 757s, "and it is reasonable to assume that at least some of those aircraft will be ordered."

In the meantime, Boeing has increased its production rate on existing jets to 28 aircraft a month—12 727s, eight and a half 737s, seven 747 Jumbos and half a 707.

Boeing plans to maintain this production rate at least through to 1981, with production rates thereafter depending on the inflow of new orders.

● British Caledonian, the independent airline, is to add Quito and Guayaquil, in Ecuador, to its list of South American destinations from August 28.

The airline already serves cities in Argentina, Brazil, Chile, Colombia, Peru and Venezuela.

Flights will be once-weekly on Tuesdays from Gatwick via Caracas in Venezuela, to Guayaquil and then on to Lima in Peru, returning on Wednesdays via Quito to Caracas and then to Gatwick, arriving on Thursday mornings. Wide-bodied DC-10 tri-jets will be used.

Australia and China in coal talks

BY JOHN HOFFMANN IN PEKING

CHINA HAS shown an interest in Australia's experience of the extraction and processing of brown coal. Coal technology discussions were held this week between high-level Chinese officials and members of a mission of Victorian Government and business leaders, headed by Mr. Dick Hamer, the State Premier.

Exploratory negotiations took place in Shanghai, Nanking and Peking.

Mr. Hamer said that southern China, like Victoria, had large resources of brown coal. Officials in Peking had asked about Victorian methods of mining, dewatering and gasification of coal.

The mission also established contacts with Chinese officials concerned with forestry, livestock production and transport, and made preliminary agreements for cultural and technological exchanges.

Last night Mr. Hamer presented to the Chinese Academy of Sciences a number of medical, scientific and industrial instruments developed in Victoria.

"They indicate that Australia is not just a country of sheep, wheat and iron ore," he said.

Victoria could make special contributions to China's development, the Premier said. The emphasis of China's modernisation programme was on agriculture and he had drawn the attention of Chinese officials to Victoria's achievements in pasture management

Chinese experts are to be invited to Victoria and further suggestions for commercial co-operation are to be made.

Shell and Petrobras in joint Amazon oil venture

BY DIANA SMITH IN BRASILIA

SHELL PECTEN and Petrobras have signed three onshore risk contracts to search for oil and gas in the middle Amazon. Under the five-year agreements Shell Pecten will make seismic surveys in the three 10,000 sq km blocs for three years, using technology developed in parts of the United States where geological conditions resemble those of the Amazon.

If seismic results are satisfactory, Shell Pecten is committed to two years of drilling and minimum investment of $12m (£5.4m) per bloc.

Three million dollars will be spent on seismic work, considered difficult in the middle Amazon, where basalt layers 1,500 metres thick distort soundings. The basalt also makes drilling arduous, as Petrobras discovered in Jurua, where it found light oil and natural gas last year.

Petrobras reports that, to date, 26 risk contracts have been signed with foreign companies.

In 21 months of drilling, 23 wells have been completed and three are being drilled.

● The state-run Brazilian mining conglomerate, Companhia Vale do Rio Doce, will supply 750,000 tonnes of iron ore a year to the Pohang Steel Corporation of South Korea, at about $15 a tonne.

The contract, signed this week by Sr. Eliezer Baptista and Mr. T. J. Park, the presidents of the two companies, provides for shipments to start immediately with a gradual increase in volume until it reaches 1.3m tonnes a year, in 1982.

July decline in Toyo Kogyo car exports

TOKYO — TOYO KOGYO, the third biggest vehicle exporter in Japan, said its vehicle exports in July fell 12 per cent to 49,500 from 56,100 in June, but rose 41 per cent from 25,200 in the same 1978 month.

July exports included 20,500 to the U.S., up 70.7 per cent from a year earlier and 14,200 to Europe, up 77.3 per cent, Toyo Kogyo said. Its July output rose 0.9 per cent to a record 86,200 from June and up 26.5 per cent from a year before, reflecting good domestic sales.

● Isuzu Motors said it has developed a new low fuel consumption diesel engine car and is seeking Government test approval for safety and emission control standards.

UK MANAGERS IN W. GERMANY

Salaries match but fringe benefits vary

BY JONATHAN CARR IN BONN

BRITISH MANAGERS working in West Germany receive salaries which are broadly in line with those of their German counterparts. But there is a marked difference in the extent of additional benefits normally paid to each group.

This is one of the main conclusions of a survey of salaries and fringe benefits in the Federal Republic, commissioned by the British-German Trade Council and carried out in June-July this year.

A total of 150 companies took part in the survey, 79 per cent of them subsidiaries of British companies and 43 per cent from the engineering sector alone. Many more German sales and managerial staff were covered than British, so that the survey warns that the information on expatriates should only be taken as a general indication.

That said, the survey gives the median salary for a top German manager as DM 8,050 (£1,977) monthly, excluding additional benefits. The figure for the UK expatriate in a similar job is given as DM 8,350 (£2,051) monthly.

The median figure gives, of course, only a general guide. The survey reveals that just over one-fifth of British expatriate top managers receive DM 12,000 (£2,948) or more a month, while just under 18 per cent receive between DM 5,000 (£1,228) and DM 6,000 (£1,474).

While the British appear to have a slight salary edge on the Germans at the top managerial level, the position is reversed a little lower down the scale. The median salary for a German senior manager (defined as one responsible for implementing company policy rather than defining it) totals DM 6,200 (£1,523) monthly and that of his British counterpart DM 5,850 (£1,437). The same applies to the junior management category, with the British receiving DM 3,900 (£958) and the German DM 3,400 (£835).

On the fringe benefits side, the survey shows that only in the case of bonus payments or profits-sharing do the British expatriates enjoy roughly similar benefits to those of their German colleagues.

British expatriate staff appear worse off in respect of "13th-month" salaries, holiday, Christmas and transportation allowances, but relatively better off for company cars, medical care provisions and life insurance.

The British expatriates can often expect additional benefits too. For example, nearly a quarter of their companies grant an education allowance, more than one-fifth offer help in selling or renting accommodation and more than one-third offer company-paid travel for the employee and his family to visit the UK.

The survey also covers separately the wages and fringe benefits of German secretarial and clerical staff. It shows, for example, that more than 60 per cent of German typists are paid DM 2,000 or more monthly and over 65 per cent of sales clerks DM 2,400 or more.

Some 42 per cent of German companies give five weeks' holiday to this category of staff and another 25 per cent give more than five weeks. A total of 60 per cent pay a holiday allowance, and 45 per cent pay a Christmas allowance (usually between 50 per cent and 100 per cent of one month's salary). In addition, 38 per cent of companies pay a 13 month salary to their staff.

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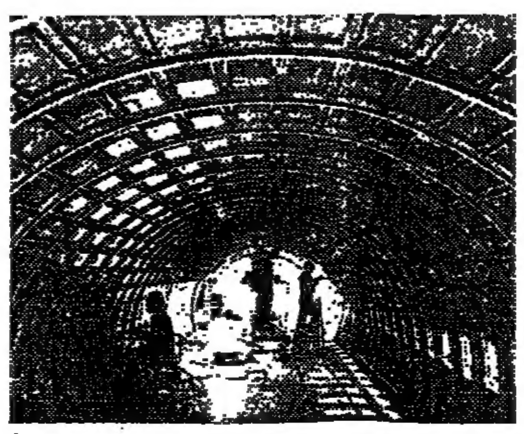

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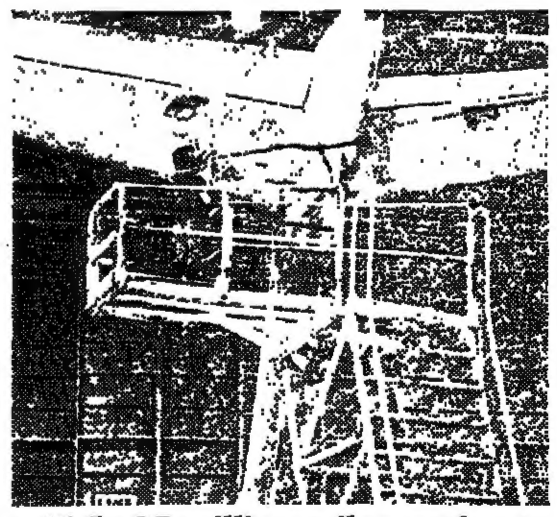

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UK NEWS

Sasse cover plan hits problems

BY JOHN MOORE

ATTEMPTS to limit the liabilities on the 1976 underwriting year of the stricken Sasse syndicate have run into difficulties at Lloyd's.

Reinsurance designed to cover the syndicate's 110 members against any deterioration in the £15.6m losses on the 1976 underwriting year, cannot now be completed.

Mr. Stephen Merrett, syndicate manager, has raised a number of points with the 16-strong ruling Lloyd's committee over the wording of the policy and, according to Lloyd's, "until these are resolved it will not be possible to confirm the re-insurance."

Essentially, the deadlock is over whether the members of the syndicate should pay a substantial part of the premium themselves or whether it should be borne by the market. Mr. Merrett wanted most of the cost to be shouldered by the Lloyd's community.

Claim

Another major area of dispute is whether reinsurers in Lloyd's would be entitled to any of the recoveries which the syndicate is attempting to make through legal actions against other reinsurers.

The syndicate is locked in an action against the Brazilian Reinsurance Institute over claims estimated to be about $13m.

In an effort to resolve the growing rift between himself and the members of the syndicate, who are looking for a re-insurance programme which will cover them for the 1977 underwriting year as well, Mr. Merrett has *urged all members* to complete an agreement which authorises him to act unilaterally on their behalf.

He has said that unless all members complete the agreement he will be forced to withdraw as manager.

Plea to spare school meals

FOOD and accommodation services managers have written to the Education Secretary saying that they are worried about the effect of public sector spending *cuts on school meals, particularly* where children in one-parent families are affected.

The managers, members of the National Association of School Meals Organisers, a branch of the Hotel, Catering and Institutional Management Association, say that they appreciate that cuts must come, but urge the Government to reconsider its intention to drop the statutory obligation on local authorities to provide a main meal for primary school children.

Shetland visit

MRS. MARGARET THATCHER is to visit Orkney and Shetland on September 5. She will be the first Prime Minister to tour the islands while in office.

Gulf bid to reverse war risk decision

BY JOHN MOORE

A GULF STATES delegation will come to London next month for talks with representatives from Lloyd's and UK insurers *following their controversial* decision to charge a higher war risk premium on vessels travelling to the Gulf.

Iran will be asked to join the *discussions, planned for September* 10, on the grounds that the war risk decision would also affect non-Arab Gulf States.

The delegation will try to persuade the UK insurers to reverse their decision.

London underwriters, led by Lloyd's, have excluded the Gulf from normal war risk cover for shipping and is charging an extra premium of 0.025 per cent of the ship's value per voyage in *addition to the standard rate of* 0.025 per cent for the year for normal cover.

Mr. Stephen Merrett, a leading underwriter on this class of business, said yesterday that the cost of the surcharge on a war risk vessel was "minuscule" when related to the price of oil.

He said the underwriters felt the risk was inadequately reflected in the premium on ships travelling to that area.

London underwriters raised the insurance on the hulls of vessels to the Gulf area because they claimed there were prolonged and apparently *continuing hostilities in the area.*

Although underwriters are not expected to shift materially *from their position, they may* compromise by designating more specifically to which Gulf areas the extra charge should apply.

Oil transport and insurance companies affiliated to the Organisation of Arab Petroleum Exporting Companies have decided on a collective insurance policy for their tankers.

The decision was taken at a meeting of company representatives from Libya, Kuwait, the United Arab Emirates, Saudi Arabia and Iraq.

The move implements a recommendation adopted at a meeting in Bahrain last April of the permanent congress of Arab oil transport companies.

Seabed contract worth £30m

By Ray Dafter, Energy Editor

THE Houlder Comex offshore partnership has been awarded a two-year contract, believed to be worth between £20m and £30m, for underwater operations on Shell/Esso installations in the North Sea.

The contract calls for the services of the "Uncle John" semi-submersible vessel, which will be involved in a wide range of diving and engineering services. They include seabed construction work, and inspection and testing operations.

The vessel entered service in July, 1977, and has since worked almost continuously for Shell/Esso. The partnership is in the midst of a development programme involving the exploitation of several North Sea fields at a cost of over £9bn.

The "Uncle John" is operated under a joint venture agreement between Houlder Offshore and Comex.

Monetary System poses dilemmas for Britain

BY ELINOR GOODMAN, LOBBY STAFF

THE DILEMMAS which joining the European Monetary System would still pose for the British economy are underlined in evidence from two senior financial officials to a House of Lords select committee.

Commenting on the first few months of EMS operation, Sir Kenneth Couzens, the second Permanent Secretary in charge of overseas finance at the Treasury, and Mr. Kit McMahon, Executive Director of the Bank of England, both pointed to the potential conflict between British monetary policy and membership of the system.

THE EMS began in March without Britain, and the House of Lords' interim report on its progress was *published* yesterday.

It indicates serious problems caused by fluctuations in the dollar exchange rate. As long as the Deutsche Mark remains the main alternative to the dollar for investments, the EMS arrangements risk coming under strain every time the U.S. dollar comes under pressure, warns the committee.

Reservations

The Government had originally said that it would make up its mind about joining the system by September, when the European Community institutions are due to review the technical workings of the monetary arrangements. But the decision now looks like being delayed.

The evidence to the House of *Lords committee* suggested that both the Treasury and the Bank of England still have considerable reservations about the technicalities of joining.

Mr. McMahon pointed out that, given the strength of sterling this spring, the pound would have broken through the permitted margin of movement within five weeks of the system being established.

Sir Kenneth Couzens said that, as other European governments had realised, there could be a conflict between domestic monetary policy and the need to intervene to keep the exchange rate within the agreed limits. The present Government was putting more emphasis on its monetary targets than its predecessors, he said.

● *House of Lords Select Committee on the European Monetary System; SO, £1.50.*

KL Foundries closing with loss of 300 jobs as demand falls

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

KL FOUNDRIES, of Letchworth Garden City, Herts, is to close with the loss of 300 jobs. The steel foundry, belonging to the 600 Group of engineering companies, is no longer viable *because of falling demand.*

Britain's steel foundries have the same problems of over-capacity as their more numerous counterparts in the iron castings industry.

Experts in the industry believe that closing much of the plant capacity is the only solution, and are urging the European Commission to introduce a foundries reorganisation plan along the lines adopted for the steel industry.

The 600 Group said yesterday: "Over the past few years, in spite of determined efforts by KL management and employees, *demand for finished castings at* the foundry has fallen from 200 tonnes a week to less than 50 tonnes.

"Operating at this low capacity, the foundry is not sufficiently viable to recover the costs incurred and still provide the necessary funds for the capital investment needed to remain up-to-date in the industry."

The foundry, which specialises in castings for the engineering industry, will close on November 16. It was established in the first garden city by two Belgian industrialists *during the First World War,* and taken over by the group now known as the 600 Group in 1928. It is the only steel foundry in the group.

The company said that it was working closely with the Department of Employment in an effort to arrange alternative employment for the personnel. *A second 600 Group subsidiary* at Letchworth, Jones Cranes, is unaffected by the decision.

National Freight share sale plan

BY LISA WOOD

GOVERNMENT proposals for the sale of the majority of shares in the state-owned National Freight Corporation were published yesterday.

The proposals will be included in a new Transport Bill this autumn. The changes are expected to be on the statute book by next summer.

The Corporation in its present form will be abolished, and a company within the scope of the Companies' Act will be set up. The Government, which does *not only* intend to sell the most profitable parts, will give employees the chance to buy shares.

Mr. Norman Fowler, Transport Minister, said yesterday: "The essential purpose of the Bill will be to seek the powers to enable the Minister to create a company, with an appropriate capital structure including shares which can be sold."

The Corporation would be abolished with the company inheriting its assets and liabilities.

Mr. Fowler said the Government could not commit itself to any arrangements for the sale of shares. The intention is, however, to give employees the opportunity to buy them.

He said: "The aim will be to achieve the desired level of private investment with the NFC remaining as a holding company of broadly its present size and range of interests.

"There is no intention of selling only the more profitable parts. Ultimately, the Government intends to dispose of the majority shareholding, thus putting responsibility for the direction of the company firmly into private hands."

Mr. Fowler added that the corporation had often suggested that it would welcome a less rigid financial regime than the fixed interest capital structure within which it worked.

The corporation owns about 10 per cent of the country's professional road haulage industry. It has 13 main subsidiaries in road freight, specialised transport and international haulage, and last year made a record trading profit of £20.1m. For the first time since 1973 there was also a net profit—£300,000—compared with a loss of £10.8m in 1977.

Turnover last year rose from £386.6m to £406.7m. However, the average profit margin was 5 per cent on revenue.

Ore shipments begin to by-pass strike-bound Hunterston terminal

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE FIRST of the ships being used by the British Steel Corporation to by-pass the Hunterston ore terminal, which is being kept idle by an inter-union dispute, docked in Glasgow *yesterday.*

The Wisteria, a bulk carrier on short-term charter from Japan, brought 15,000 tonnes of iron ore from Rotterdam, where it had been lying on the quayside since being shipped from Brazil last week.

The dispute means that BSC *is having to bring in ore for* Scottish plants in two stages: large bulk carriers deposit it at Rotterdam and smaller vessels then ferry it to Glasgow.

Old equipment

The new £100m ore terminal at Hunterston, which has never been used, can accept vessels of up to 300,000 tonnes. But because of the dispute the corporation is having to use General Terminus Quay, Glasgow, which can only handle ships a tenth of that size.

The special arrangements are costing BSC an extra £800,000 per shipment, but the ore is essential if the modernised Ravenscraig steel plant at Motherwell is to be brought into full production to reduce last year's heavy losses.

Ravenscraig needs more than 50,000 tonnes of ore a month and this is placing strains on the equipment at General Terminus, which is 22 years old and requires constant maintenance. The last time it handled shipments in these quantities was in 1974.

Hunterston has been blacked by dockers since the beginning of the year as part of a dispute between the Transport and General Workers Union and the Iron and Steel Trades Confederation over who should man unloading equipment there.

Talks between national and local officials of the two unions have so far failed to resolve the matter.

This week the transport union has been discussing working condition at the terminal with the Clyde Port Authority which is responsible for industrial relations at Hunterston. But no new negotiations have yet been announced between the two unions.

Row over hotel bills rise

BY OUR OWN CORRESPONDENT

A ROW developed yesterday between the British Tourist Authority and leading London hoteliers after a survey showed hotel bills had leapt by 20 per cent or more in the past year.

The latest annual Hotel Tariff Study, by Greene Belfield-Smith consultants, shows that two-thirds of London hotels charge more than £20 a night for a single room and both, and double rooms with bath are being quoted at £70 to £80 each.

The survey of 275 hotels in Britain showed the median charges had risen between 26 per cent and 32 per cent. Hotels have been hit by the Budget VAT increase, the inflation rate and the strong pound.

The BTA agrees that hotels had to catch up with inflation in the mid-1970s but says: "The catching-up process has become an overtaking process."

However, Mr. Clive Derby, chief executive of the British Hotels, Restaurants and Catering Association, said the BTA's statement was "highly irresponsible." Rates had increased to fair and reasonable levels.

Mr. Graham Jeffrey, general manager of London's Inter-Continental Hotel, said hotels in Paris and the big German cities charged more.

MP attacks university cash cuts

Financial Times Reporter

THE GOVERNMENT'S plan to cut higher education expenditure, which will probably make university entry more difficult, was condemned yesterday by Mr. Neil Kinnock, Opposition education spokesman.

As a result of the economies planned by the Government, the University Grants Committee has proposed that the intake of new students in 1980 should be reduced by 6 per cent compared *with this year's level.*

Mr. Kinnock said: "The cuts programme has absolutely nothing to do with any systematic investigation of university entrance conditions, graduate achievements, capital use, course content, cost study or any other careful assessment of needs and resources."

"As a result, talent and finance will be massively wasted. The size of the cuts ordained by the Government means that as many as 7,000 students who would have qualified for university in this or any other recent year will not be admitted next year. That is the equivalent of closing a *medium-sized university."*

Mr. Kinnock said the brains of young people were one of Britain's most important natural resources, and it was "an act of sabotage against Britain's economic future" to reduce their chances of higher education.

He acknowledged that there was scope for savings in university costs by better use of staff and buildings. However, those economies could only be effected after slow and painstaking investigations.

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Extra trains run

BRITISH RAIL'S Western Region is to run 73 extra trains during next weekend's Bank Holiday. Big attractions include Navy Day at Plymouth and race meetings at Newton Abbot, Warwick and Windsor.

Council house repair aid sought

BY ANDREW TAYLOR

THE GOVERNMENT is being asked to pay £84.7m in grants to cover the cost of repairs on houses transfered by new towns to local authorities 16 months ago.

Nine of the 10 councils which took over houses from new towns in April 1978 are seeking repair grants under section 10 of the 1976 amendment to the New Town Act.

Yesterday, a delegation of local authorities, organised by the Association of District Councils, met Department of Environment officials to discuss Government policy under section 10.

The authorities say they need the cash to rectify construction defects in new town houses built during the 1950s and 1960s.

The Department of Environment said yesterday that it was unlikely to give £85m in special grants.

This is in keeping with the Government's statement earlier this year that it would not make payments when defects resulted from a council's failure to enforce building regulations and where money was needed for normal repairs and improvement.

This is similar to the position adopted by the previous Labour administration.

● Mr. Michael Heseltine yesterday announced the membership of the London Housing Staff Commission, which will oversee the transfer of GLC housing staff to certain London boroughs and district councils.

Mr. Philip Vine, chairman of the New Towns Staff Commission, has been appointed chairman. Other members include Mr. John Dryden, also of the New Town Staff Commission, and Mr. Wilfred Bowdwell, former treasurer of Westminster City Council.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem-ployed	Vacs.
1978							
2nd qtr.	110.7	104.5	96	107.9	254.4	1,367	213
3rd qtr.	111.6	105.1	105	110.7	260.5	1,350	213
4th qtr.	110.0	102.7	111	111.7	273.0	1,340	230
1979							
1st qtr.	109.7	102.0	100	110.3	276.4	1,351	234
2nd qtr.	114.5	106.0		116.7	297.3	1,299	256
March	113.0	107.5	102	110.8	279.8	1,350	236
April	113.3	105.3	99	115.4	290.6	1,311	250
May	114.3	105.8		113.5	289.2	1,307	257
June	116.0	107.2		120.2	309.3	1,280	262
July				108.5		1,279	253
August						1,265	246

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
2nd qtr.	108.1	97.9	122.3	99.6	107.4	101.1	27.1
3rd qtr.	108.4	99.5	123.3	100.6	101.2	104.1	23.0
4th qtr.	105.6	98.5	123.6	96.6	97.6	102.1	20.2
1979							
1st qtr.	105.1	99.0	125.5	99.1	97.6	98.5	12.9
2nd qtr.	108.1	99.9	133.0	100.5	110.3	101.5	21.3
Jan.	100.0	92.0	117.0	92.0	77.0	94.0	10.1
Feb.	106.0	101.0	130.0	101.0	102.0	99.0	12.7
March	109.0	103.0	130.0	104.0	114.0	102.0	15.8
April	107.0	100.0	130.0	100.0	108.0	100.0	18.5
May	108.0	100.0	133.0	100.0	109.0	101.0	20.0
June	110.0	99.0	136.0	101.0	114.0	104.0	25.4

†EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£bn); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1978							
2nd qtr.	122.2	109.7	−0.2	+0.2	−414	104.9	16.75
3rd qtr.	124.8	114.9	−0.4	+0.2	−501	106.1	16.55
4th qtr.	124.8	112.3	0.0	+0.4	−489	106.9	15.77
1979							
1st qtr.	110	118	−1.6	−1.2	−237	107.7	16.78
2nd qtr.	134	135	−1.1	−0.7	−210	108.0	21.69
Feb.	101	117	−0.8	−0.6	− 78	108.1	16.62
March	117	129	−0.7	−0.6	− 97	107.4	17.45
April	139	135	−0.3	−0.2	−114	108.9	21.47
May	134	137	−0.4	−0.3	− 54	108.0	21.53
June	130	133	−0.3	−0.2	− 42	107.1	22.07
July	134	127	0.0	+0.1	− 41	109.3	23.49

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
2nd qtr.	10.1	15.0	24.5	+2,800	694	1,506	10
3rd qtr.	17.2	8.1	6.6	+ 572	746	1,559	10
4th qtr.	14.9	12.0	8.6	+1,774	878	1,584	12½
1979							
1st qtr.	7.6	9.4	32.5	+1,523	777	1,583	13
2nd qtr.	9.7	17.2	28.5	+2,702	777	1,869	14
Feb.	17.8	20.0	24.1	+1,057	231	532	14
March	7.6	9.4	32.6	+ 329	257	526	13
April	16.8	6.4	19.3	+ 823	343	566	12
May	13.8	8.1	20.7	+ 997	309	622	12
June	9.7	17.2	28.5	+ 882	125	681	14
July	7.1	14.3	34.1	+ 399	229		14

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
2nd qtr.	129.9	146.3	151.8	196.8	203.8	242.27	61.5
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
1979							
1st qtr.	140.2	152.2	161.6	208.9	218.8	268.33	64.1
2nd qtr.		160.5	167.9	216.5	225.2	293.55	67.9
Feb.	141.1	152.2	161.7	208.9	218.7	267.86	63.7
March	143.7	153.5	163.2	210.6	220.2	268.83	65.0
April	144.3	158.4	165.5	214.2	221.6	277.11	66.9
May	146.9	161.0	167.7	215.9	224.0	279.20	67.4
June	150.7	164.5	170.8	219.6	230.0	293.55	69.5
July		164.7	174.5	229.1	231.2	278.92	72.1

* Not seasonally adjusted. † Trade figures are quoted with less precision owing to industrial disputes.

British Steel cuts 26,000 jobs so far

BY ROY HODSON

NEARLY 26,000 jobs have been reduced from the British Steel Corporation's chain of iron, steel and construction works in the past two and a-half years—regarded as the most drastic restructuring programme so far achieved *by a member of the* European Coal and Steel Community.

The corporation has axed 25,888 "job opportunities" since January 1977, and more than 17,500 employees on the shop floor and in "blue-collar" and managerial grades have accepted redundancy.

Total employment, which reached a peak of nearly 230,000 in 1974, is now down to between 182,000 and 183,000, and is still falling fast.

If further closure plans—some of which have not yet been disclosed—are implemented in the next 12 months, up to 16,000 more jobs will be lost, bringing the labour force down to below 170,000.

The ending of iron and steel-making at Shotton and Corby is expected to cut 12,000 of those jobs, while closure of more small works and sections could account for about 4,000 jobs.

The full list of British Steel closures and job losses since January, 1977, shows how the corporation is maintaining a vigorous closures programme of minor works in many parts of the country.

Publicity has centred on half a dozen major works, designated in the last government's Beswick report as having only limited life—among them Ebbw Vale, East Moors, Shelton, Hartlepool, and Clyde Iron. But no fewer than 80 others works and offices, each employing 500 people or less, have also been closed.

Often the smaller closures have been arranged with only local publicity and with little opposition from the work forces after redundancy payments had been agreed.

Payments have ranged from a few hundred pounds to about £20,000 according to status, length of service, and the particular conditions of the local closure. It is likely that top redundancy payments at Shotton and Corby will go beyond the £20,000 barrier.

British Steel is still the fourth biggest steel-making concern in the Western world with a production level of up to 17m liquid tonnes a year.

But the corporation was ousted from its traditional third place in the league table last year by Bethlehem Steel of the U.S., and it looks like slipping down further in the next two years as more unwanted iron and steelmaking capacity is closed.

By 1980-81 is is expected to be *aiming for a production level* of 15m-16m tonnes a year with a labour force of 160,000 to 170,000.

By world standards such productivity will still look poor. For instance, France is proposing to cut its steel labour force from 130,000 to 110,000 while continuing to make more than 20m liquid tonnes a year.

While British Steel is continuing to lose money at a rate of about £1m a day, its opportunities to return to viability through works closures and demanning will become rapidly more limited from now on. Most *of the obvious targets have* already been closed or are now high on the list for closure.

Rumours persist among trade union leaders and politicians that in a last, desperate bid to get back into profitability, the British Steel Board might suggest to the Government the closure of one of the half-dozen major integrated steelmaking centres.

Llanwern strip works, South Wales, and Scunthorpe works in Lincolnshire, are being mentioned. But the closure of either of these works would not necessarily be the answer to British Steel's problems.

Scunthorpe Division lost 27.8m in the last difficult year, but could become a useful profit-earner as market conditions improve.

Llanwern, which lost £31m last year, has always been a problem plant, seemingly unable to reach designed output levels. But its closure would make British industry even more dependent on imported sheet steel. And imports already account for about half the British market.

STEPS TOWARDS A SMALLER NATIONALISED STEEL INDUSTRY

1977	Works closures	Lost job opportunities	Redundancies
April	Grimesthorpe foundry	300	60
May	Mossend construction works	230	200
May	Cleveland burden handling plant	570	40
June	Britannia construction works	270	150
June	Teesside engineering works	320	210
June	Hartlepool sinter and ore plants	240	140
September	Cleveland coke ovens	490	50
September	Ebbw Vale hot strip mill	650	450
October	Clyde iron works	450	430
October	Clydebridge open hearth furnaces	350	320
October	Stocksbridge rod and bar mill	230	40
December	Hartlepool iron and steelmaking and primary rolling	1,670	1,310
1978			
January	Llanwern spiral weld pipe mill	220	130
February	Clyde iron coke ovens	320	310
March	*Llandore ingot mould plant*	210	200
April	Dalzell open hearth plant	250	210
May	East Moors works	3,250	2,820
June	Shelton works	1,330	1,330
August	Ebbw Vale open hearth steelmaking and rolling	2,250	1,520
October	Treorchy construction works	300	290
December	Glengarnock works	720	680
December	Clydesdale forge	210	70
1979			
January	Irlam rod mill	410	410
May	Bilston works	1,900	1,300
July	River Don works (manning cuts)	400	350
August	Orb work (cuts)	200	200
Since January 1977, 84 other plant closures have been carried out, each involving fewer than 200 job losses	Total:	7,810	4,230

	Office closures	Lost job opportunities	Redundancies
	Gower Street, London	100	12
	Battersea Laboratories	173	80
	Sheffield headquarters	65	53

Users fear postal service collapse

FINANCIAL TIMES REPORTER

THE POSTAL service will collapse unless the Post Office improves productivity and industrial relations, says the Mail Users' Association in the latest edition of its journal, Frank.

Although the service had recovered some of the ground lost in the past few years, it failed to give the reliability, or cheapness, which business required.

A survey of parcel postings this year showed that delivery time was more than six working days, and the advantage which the Post Office previously had over its cheaper competitors was slipping.

The biggest single failure of the postal service in the last decade had been the fall in labour productivity levels. Improvements could come only through hard bargaining with the shop floor, the association said.

Ulster jobs boost

The National Supply Company of Houston, a manufacturer of oil field machinery, is to open a £3m factory in the Maydown industrial estate near Londonderry. It should provide 150 jobs in the next five years, and could employ 500 people eventually. The company plans to *make well head equipment for* the North Sea oil companies.

This will be the ninth U.S. concern to make a new investment in Northern Ireland in the past two years following the Government's incentive scheme. New investments over this period are put at £140m.

Dan-Air expands

Dan-Air Services, the UK independent airline, has been given rights to fly scheduled passenger, cargo and mail services between Gatwick Airport (London) and Munich, and between Gatwick and Cork and Shannon in Eire.

It has also succeeded in getting British Airways' route licences amended so that the State airline cannot serve those destinations from Gatwick, although *it may* continue to serve them from Heathrow.

Concorde charter

Concorde will make its first visit to Liverpool's Speke Airport this Sunday, when Air France carries a charter group from Charles de Gaulle Airport, Paris, *into the airport and takes* another group out.

Rail aid plea

British Rail is getting a poor deal from the Government over financial support for its investment programme, says Mr. Paul Goldsack, editor of Jane's World Railways, published today. The review says British Rail is to spend £367m on new equipment and facilities this year—only half the money available for railways in France, South Africa and Brazil.

Top secretary

The word-processor technology is unlikely to ever replace the true private secretary, said Mr. Martin Harper, deputy chairman of the London Chamber of Commerce and Industry, in London. He was introducing the Top Secretary Award for 1978 to 20-year-old Jane Gillett, of the Central Electricity Generating Board, Bristol. She is the youngest secretary to come first in the chamber's private secretary diploma examination.

Clothing report attacks quotas

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

IMPORT CONTROLS designed to protect the UK textile industry from cheap foreign goods will lead to higher prices for clothes, especially children's wear, and less choice, a Consumers' Association report says today.

The report, called the Price of Protection, is critical of the effects on clothing prices of import quotas established under the Multi-Fibre Arrangement of the General Agreement on Tariffs and Trade.

The report was attacked yesterday by manufacturers and trade unions in the clothing industry. The Clothing Manufacturers' Federation described it as "a pathetically muddled and illogical piece of special pleading which nobody can take seriously." The National Union of Tailors and Garment Workers, with 120,000 members in the industry, said the report was inaccurate and could be "refuted page by page."

The Consumers' Association, however, has decided that the potential sharp rise in clothing prices should be brought to the attention of the public. The report has therefore been published under the association's campaigning role, rather than under its Which? product testing service.

The report says that the main effect of the Multi-Fibre Arrangement will be to increase the price of basic imported clothing by between 15 and 40 per cent. This could mean £2 on a pair of jeans by the end of the year, £2.35 on a woman's blouse, or £1.20 on a sweater.

The report is based on a survey of clothing importers, wholesalers, and retailers and suggests that the full impact of price rises under the arrangement have not yet been felt in the shops.

It also suggests that children's wear will double in price because of restrictions on supply caused by the quotas.

This is due to foreign clothing manufacturers switching to higher value garments, rather than cheaper children's wear, to gain maximum benefit from the quotas.

Value for money

The report suggests that "It is doubtful that shops are buying British to replace the shortfall in imports." It points out that although price differentials between UK and imported goods have narrowed, "home producers seem unable or unwilling to meet this demand."

Retailers say that British goods do not represent the same value for money, with unreliable deliveries, and less fashionable clothes produced.

The association says it found no evidence that the arrangement has had a significant impact on the fortunes of the British clothing and textile industries and suggests that it "has had a negligible role in improving employment prospects in the protected industries."

The report concludes that the "cost to the consumer of this sort of protectionism is high." It points out that the true costs of import controls are not generally revealed and represent a "hidden sales tax" for shoppers.

The Clothing Manufacturers Federation disputes the association's claim that prices will rise by up to 40 per cent. "The association has produced no evidence to support this," the federation said.

"The rise in prices of imported clothing has nothing to do with the workings of the Multi-Fibre Agreement, but is due to revised pricing by the supplying countries and the importers."

The federation was also critical of the limited range of the interviews on which the report is based.

● The Retail Consortium, which represents the majority of British retailers, has welcomed the report. Retailers, the consortium said, believed the cost implications for consumers of the Multi-Fibre Agreement had not been widely recognised.

Mr. Richard Weir, consortium director said: "A number of our members co-operated with the Consumers Association in preparing the report and we are satisfied that it is accurate.

"We endorse its conclusions and in particular the suggestions that excessive protection of the British textile industry, so far from preserving jobs, could actually lead to long-term wider unemployment as a result of encouraging overseas producers to compete directly with higher-priced British products."

● The British Importers Confederation has also backed the report. Mr. Ira Brown, the confederation's director, said: "The conclusion that the MFA (Multi-Fibre Arrangement) will result in an increase in the price of imported clothing of between 15 and 40 per cent is correct. It is also likely to lead to a shortage of children's wear later this year.

"We and other similar trade associations within the EEC realised this earlier in the year and approached the Commission asking them to issue a special children's wear quota but nothing has been done presumably, we suspect, because of protectionist pressures."

"The price of protection: a study of the effect of import controls on the cost of imported clothing," available from the Consumers' Association, Caxton Hill, Hertford, price £15 including UK postage.

BOC shop stewards fix £25 gas workers' claim

BY NICK GARNETT, LABOUR STAFF

SHOP STEWARDS representing manual workers at BOC's gases division have fixed a claim for a £25 across-the-board increase on basic rates in a seven-month deal.

The workers were one of the first groups to break last year's pay guideline.

The shop stewards indicated yesterday that the claim, which represents about 20 per cent on present rates, was to some extent negotiable. But the workforce did not appear to be prepared to accept earnings increases of less than 15 to 20 per cent.

The rise in the cost of living and the need to recapture lost ground from the last settlement have been the two principal elements in pitching the claim.

Last year, the 3,000 drivers and gas cylinder handlers settled for 9.3 per cent after unofficial action at some of the gases division's 42 depots.

The settlement was seen then as a blow to pay policy, and the company was under some threat of Government sanctions.

The going rate for settlements in the last round was later pushed up to about 15 per cent, so the BOC deal was in effect a fairly modest one. Other groups which settled early in the last round may follow BOC in trying to win sizeable "catch-up" settlements.

Shop stewards said yesterday that the mood of the workforce was more akin to that of 1977 rather than last year. Two years ago, the group embarked on a higher damaging strike which led to large numbers of lay-offs in industries starved of industrial gases.

The claim this year is for across- the-board increases on rates of £74 to £78, as well as higher shift payments and meal allowances. Other issues, such as holiday entitlement, are being left to negotiations for next year's agreement.

The settlement date for this group is the beginning of October. During last year's agreement, however, the company virtually committed itself to restoring the group's more traditional settlement date of May.

The unions, mainly the Transport and General Workers' Union, will therefore be seeking to operate next year's agreement from that date.

● Mr. John Miller, TGWU national secretary for chemicals, said yesterday that chemical companies, for whom national negotiations broke down earlier this year, had been negotiating local settlements of 13 to 19 per cent, with an average of 16 per cent.

The unions will be asking the employers' association whether it would now be prepared to reconvene central talks on a national agreement.

Companies, Page 18, and Lex

Shipyard union agrees to action

THE LARGEST shipbuilding industry union, the Amalgamated Society of Boilermakers, agreed at a special delegate conference in Tynemouth yesterday that there should be action against British Shipbuilders' plans to close four yards, making 6,000 redundant.

Mr. John Chalmers, union general secretary, and chairman of the Shipbuilding Negotiating Committee of the Confederation of Shipbuilding and Engineering Unions, said: "There was unanimity that some formal action by way of sanctions must be taken, and that it must be on a national scale."

He said the boilermakers would back any action recommended by the committee at a confederation meeting in Newcastle today.

He added that the unions were "offended at the way British Shipbuilders had handled the situation." A meeting with the corporation might be demanded before the weekend.

The unofficial National Combined Shop Stewards' Committee will be asking for recognition by the confederation at the delegate conference.

Mr. Ronald Ferns, secretary of the committee, and a worker at the doomed Scots' Marine yard, said yesterday that the committee was opposed to the four planned yard closures, "and would fight them with every means at its disposal."

Some of the threatened Scottish yards have already banned overtime, ship trials, and launches, and Mr. Ferns said the committee would be having a delegate conference in Carlisle early next month to decide on further action in the light of today's conference.

● Councils on Clydeside yesterday joined forces with the unions to attack the decision to kill 3,000 shipyard jobs in the area. The councils, the Scottish TUC and the Confederation of Shipbuilding and Engineering Unions claimed "insufficient attention" had been paid to several factors before British Shipbuilders announced its decision.

NatWest increases sponsorship

By Elaine Williams

NATIONAL WESTMINSTER Bank is to increase its sponsorship of the arts and community projects in 1980 from £350,000 to £500,000.

The bank says that the 43 per cent rise in sponsorship is in response to the Government's call for a greater contribution from the private sector due to public spending cuts.

Mr. Robin Leigh-Pemberton, the chairman, said: "The private sector is now expected to take on an increasing role, and we feel that we should play our part in responding to the Government's call."

Almost half the £500,000 will be used for social and community projects. The remainder will be split equally between arts and sport.

ICI telephone system expected to save £1.5m this year

BY DAVID FISHLOCK, SCIENCE EDITOR

ICI ESTIMATES that its own nationwide telephone system, using private lines rented from the Post Office, will show net savings of about £1.5m this year.

The cost of calls is about 55 per cent of that on the public STD system, the company considers.

ICI believes real savings could be several times greater, especially in the time saved.

The average length of a call has dropped from just over five minutes to two minutes, and twice as many calls are being made.

The ICI system, known as company intersite dialling, is based on a crossbar exchange installed at the Hexagon, Manchester, used to route calls from about 80 sites in Britain and its Europa headquarters at Everberg in Belgium.

The project is managed by ICI's central management services at Wilmslow, under Mr. Peter Cordukes, group manager for telecommunications.

Mr. Cordukes, who will spend almost £900,000 on rented Post Office lines this year, makes detailed analyses of telecommunications traffic within ICI to justify the capital investment. The main phase of this investment, completed this spring, cost more than £1m.

According to Mr. David Lamb, project manager for the system, any temptation to avoid using the telephone because of its inconvenience has "virtually disappeared" with the in-house system. "I think that factor is vital for a company where a wrong decision could, literally, cost many millions of pounds."

Bristol youth scheme

A NEW office work training centre backed by local industry was set up in Bristol yesterday.

The scheme, the first outside London, is run by Project Fullemploy, an employer-based charitable trust under the chairmanship of Sir Geoffrey Wilson.

The trust's aim is to use private and public resources to help alleviate youth unemployment.

Project Fullemploy has organised similar schemes in the City of London and the West End.

Television companies' lock-out begins

By Gareth Griffiths

THE INDEPENDENT television companies yesterday locked out members of the National Association of Theatrical, Television and Kine Employees and the Electrical and Plumbing Trades Union amid predictions that the blackout could last another month.

Senior management are now manning telephones and dealing with security arrangements. Members of unions not locked out, the National Union of Journalists, the Musicians' Union and Equity have been told by the companies not to cross picket lines.

The 6,000 ITV members of the third union involved in the dispute, the Association of Cinematograph, Television and Allied Technicians, have been on strike for 13 days.

Channel Television, which has been broadcasting five hours a night during the dispute, remained on the air last night. It is the only member of the 15-strong Independent Television Companies Association not to take part in the lock-out because of local arrangements. But its revenue has been cut by more than 60 per cent because of a joint selling policy with Westward. Only local adverts are being screened.

The ACTT yesterday produced new figures on the growth of independent television profits and share values from 1975 to 1979. Mr. Jack O'Connor, the union's national ITV officer, said the companies' profits had risen in three years by 170 per cent on average and dividends by 153 per cent. He said the union wanted a public debate with the companies over its pay claim worth about 25 per cent.

Mr. Jack Wilson, NATTKE general secretary, is to write to Mr. William Whitelaw, the Home Secretary, asking him to intervene. The Home Office is very unlikely to do this, officials said.

Mr. Cyril Smith, Liberal party employment spokesman has asked Mr. James Prior, the Employment Secretary to intervene in the dispute. He said it was being allowed to drift hopelessly.

The Federation of Broadcasting Unions met last night to discuss the dispute and the possibility of a strike by NUJ, ACTT and Association of Broadcasting Staffs members at independent local radio stations. The unions have given the Association of Independent Radio Contractors notice of intention to strike.

More UK news Page 19

Chrysler chairman emphasises stand on Coventry strike

BY OUR LABOUR STAFF

SENIOR MANAGERS at Chrysler UK yesterday received letters from Mr. George Turnbull, the chairman and managing director, saying there was no change in the company's negotiating position on the strike by hourly paid workers at its Coventry plants.

The letters followed comments in a French newspaper by M. Francois Perrin-Pelletier, chief executive of PSA Peugeot-Citroen which took over Chrysler Europe, that there was more money available to the strikers if they stopped working practices which hindered productivity.

Company negotiators in the UK who set the offer at 5½ per cent on base rates have already offered the workforce at Ryton and the Stoke engine plant an incentive scheme. It includes a form of piece rate working.

Mr. Turnbull's letter says there has been no change in direction. He emphasises that success in the UK plants depends on improved productivity.

The letter is partly a response to British Press reports of the French newspaper article which the company believes has been taken out of context.

The incentive scheme is in the hands of UK negotiators. Chrysler France said yesterday that the offer on base rates had been fixed by UK management. Chrysler UK was in "consultation" with Chrysler France on the strike.

Paintshop workers at Ford's Dagenham plant were meeting late last night to vote on a peace formula aimed at ending their three-day dispute which has led to 1,650 night production workers being laid off.

The formula was produced after talks between Ford Management and Transport and General Workers' Union negotiators. No details of the plan were given, although Ford believes the 97 paintshop workers will return to work.

The company yesterday sent out recall letters to the rest of the workforce to report for normal working tonight.

Men and Matters, Page 16

Coalite workers walk out

OVER 1,600 hourly paid workers at three Coalite plants in Derbyshire and South Yorkshire went on strike yesterday.

About 1,000 men at Bolsover and others at plants in Grimethorpe and Askern walked out after the breakdown of talks between the company and officials of the Transport and General Workers' Union.

The dispute centres on a demand that the basic wage be increased from £45.

The company has offered £54, with bonuses bringing the wage up to £65 but the men want overtime to be calculated on a basic wage of £65.

No homeworkers paid less than legal minimum

BY OUR LABOUR STAFF

A WAGES Inspectorate investigation into garment manufacturing pay within parts of London and the Midlands has found that no homeworkers covered by the exercise were paid less than the legal minimum wage.

But the investigation did show that eight London factory workers in the dressmaking and women's light clothing trade earned below the legal minimum. Arrears of £1,380 were paid to workers in the two companies concerned.

The unit's inspectors visited 106 employers in Lambeth, Southwark and Wandsworth in London, and Walsall in the Midlands. These areas were chosen because they have a high concentration of homeworkers. Inspectors checked piece rates and earnings of 824 factory workers and 486 homeworkers.

They also looked at the costs incurred by homeworkers. This revealed that rates were generally high enough to accommodate the homeworkers' overheads where they were required to supply machinery and tools and pay for light and heat.

Mersey dockers discuss strike

MERSEY DOCKS and Harbour's 4,000 dockers are to meet on Sunday to consider spreading the six-week unofficial strike by 250 coastal men that has halted freight traffic between the Mersey and Dublin and Belfast.

Talks between the employers and the Transport and General Workers' Union have failed to produce agreement over the men's claim for an extra £2.50 to £3.00 a day for working at weekends. The strikers meet again tomorrow.

Provincial courts settle

THE 4,500-strong Association of Magisterial Officers, representing court staff outside London, yesterday called off its industrial action planned to open today.

Negotiators for the Association accepted a 9.6 per cent increase backdated to July 1; 5 per cent on account on October 1 and a reference to the Clegg Commission on comparability, its findings to be implemented from December 1.

Mr. Colin Jeeves, the Association's president, described the deal as meeting most of its demands. The Home Office, which pays four fifths of staff costs, is expected to approve the settlement.

OTHER MEN'S JOBS: ANTHONY MORETON ON CARRIAGE BUILDING

In the driving seat of a business that's restoring old skills

TO REACH Richard Brereton's workshop you climb the hill outside Clyro, in deepest Powys, pass Cwm Forest Farm, cross two cattle grids and descend the hill, where the sign still says 1:8 and not 12.5 per cent or some such Euro-nonsense. Turn right into the unmarked road which is little more than a lane at the bottom of the hill, and Wern Newydd is the first farm on the left. You could miss it without too much effort.

For postal reasons Wern Newydd is allocated to Painscastle, a village that a stone's throw would span easily. But it could be anywhere, for Wern Newydd is on its own. The hills around seem to roll on for evermore. It is more than appropriate that Richard Brereton should be restoring and turning out horse vehicles here because there is a clear empathy between the object and the setting in which it is made.

The uninitiated might call them pony traps, but only the uninitiated. To the countryman they have names in their own right: phaeton, gig, Berlin coupe, dog-cart, governess cart. They are vehicles pulled by a horse or pony. And they are becoming ever more popular.

Since he began eight years ago, Richard Brereton has noticed a "quite incredible" increase in interest in driving. Perhaps it is the pictures of Prince Philip driving a four-in-hand, or perhaps a desire to get away from the mechanics of the motor age. Whatever it is, if you ask Richard Brereton to build you a gig or a dog-cart it will be 18 months before he will make a start on it.

Rubbing

It will also cost a considerable sum. A new two-wheel dog-cart will set you back £1,400 to £1,500 and a two-seater gig another £200. Four-wheelers are much more expensive. A dog-cart, a phaeton or a brake would come out at between £2,000 and £3,000.

Only about a third of Richard Brereton's business is new work. Most of it is restoring vehicles which their owners have either had in the family for years and allowed to deteriorate or which they have bought cheaply and want put back into condition. Restoration comes cheaper, but is still not cheap. A two-wheel dog-cart or gig would be about £500.

The cost is high because all the work is hand-done by craftsmen. Brereton himself concentrates on the painting assisted by Cyril Gibbons, who joined him early this year. It takes at least a day, probably two, to prepare a small vehicle for painting, laboriously rubbing down with wet and dry.

Up to 20 coats of paint go on, all brushed: as many as five coats of filler, up to a dozen undercoats and half as many topcoats, then varnish if appropriate. Brereton eschews aerosol sprays.

His wheelwright is Peter Gibbons who, after a lifetime in the general building trade, two and a half years ago returned to the trade to which he was apprenticed when Brereton "made me an offer I could not refuse." It's an old cliche, but very appropriate. He is very distantly related to Cyril, but then as Gibbons is almost the family name of Hay on Wye, the nearest town, almost everyone is related somewhere down the line to everyone else.

The three of them comprise the workforce. "When we came to Wern Newydd in the early 70s it was just about possible to scratch a living. Things are better now," says Richard Brereton.

But there are still problems. The main one is finding enough matured wood. Brereton uses ash, oak and elm, the great English woods. Much of the wood used in the building trade has not matured enough for his purposes and finding the right sort is difficult.

Trundling

Brereton's parents bought the farm as a base for his father, a military historian, when they moved from Banbury. The outbuildings turned out to be ideal for the carriage business and Richard's interest in restoration, kindled 14 years ago at the age of 12 when a friend of the family's gave him a vehicle, was allowed to go commercial.

He does not concentrate only on small vehicles. One client asked him to make a hansom cab, until he learnt the price. And he is about to begin work on an elaborate French carriage —officially, a semi-state chariot —dating from 1860, which will go to the Museum of Carriages at Vaux le Vicompte outside Paris.

The biggest job was to restore a London Bus now trundling holidaymakers around Hyde Park. "That came as a result of a phone call I had out of the blue from someone in Presteigne. Tim Richards, a Chester businessman, asked me if I could restore it," he said.

"I've got another old bus outside, which also belongs to Mr. Richards, and we'll be getting round to that for him soon.

"An auctioneer told me about it and I told Mr. Richards. He bought it and sent it to me for conversion. It's about a century old and originally belonged to the Bristol Omnibus Company. We know that because we found a ticket tucked away in the woodwork.

"The bus was sitting in a garden being used as a summer house. Whoever owned it had taken the top off and put on a tiled roof. We have removed the roof and will have to reconstruct the top from pictures."

But it is the driving carriages in their maroons, deep browns and navy blues that are the bulk of his work. As driving becomes increasingly popular at shows, Richard Brereton's workload will certainly increase.

I don't suppose he will ever become another Lord Nuffield, who started with bicycles in an Oxford garage and became a magnate, but if the fuel crisis gets that much worse he's in the right place at the right time to produce a marvellous competitor to the internal combustion engine.

Roger Taylor

Richard Brereton attends to a wheel against the stable door with a Danish sociable (left, foreground), an Austrian phaeton (right), a goat cart between them and a hackney viceroy (back, right) in the yard.

Strike-hit plant turns men away

SIXTEEN ENGINE TESTERS have tried to break the 18-day strike which has crippled production at the Perkins diesel engine plant in Peterborough.

A company official said last night that they had reported for work but were turned away. "The number involved did not make it practical to operate the equipment."

Four hundred engine testers decided by a close vote earlier this week to continue the stoppage over more pay for operating new equipment. But their union, the Amalgamated Union of Engineering Workers, has refused to make it official and many men are now in financial difficulties.

By last night 5,400 other production workers had been laid off. Most are claiming unemployment benefit.

THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

Ready for business. Left to right: Andy Rork, Nigel Grandfield and Graeme Collins. They stress that their new agency is not a McCann-Erickson breakaway, and deny allegations of "poaching."

McCann's hot summer

ADVERTISING, wrote Dorothy L. Sayers, was a desperate whirligig. It was Phantasmagoria, "a city of dreadful day, of crude shapes and colours piled Babel-like in a heaven of harsh cobalt and rocking over a void — a Cloud Cuckooland."

At present, Miss Sayers is presumably a proscribed author in the international offices of *McCann-Erickson, part of the* vast Interpublic Group, for recent events in London and New York must have shaken its nerve, writes **Michael Thompson-Noel.**

According to Advertising Age, McCann-Erickson is, or was, the second biggest U.S.-owned advertising agency in terms of world billings (behind J. Walter Thompson).

In New York, the Miller Beer account, reputedly worth $80m has been siphoned out of *McCann and deposited with a* new agency, Backer and Spielvogel, formed in June and still operating from a hotel suite. Mr. Spielvogel was formerly vice-chairman of Interpublic. Mr. Backer formerly vice-chairman and creative director of McCann-Erickson Inc. Miller Beer is part of Philip Morris. The Miller *transfer is said to be the second* biggest account change ever, dwarfed only by Chrysler's $120m switch to Kenyon and Eckhardt.

In London, Britain's newest advertising agency, Grandfield Rork Collins and Partners, has been formed by three senior ex-McCann men. It starts trading on September 1. It has not got an office yet. It hasn't got a client. But if the firepower of the founders is anything to go by, at least one of each will follow shortly.

The partners are Nigel Grandfield, until April chairman of McCann in London; Andy Rork, formerly a creative director at McCann and since January joint *managing director* and creative director at Geers Gross; and Graeme Collins, until recently managing director at Harrison *McCann, the main McCann subsidiary.*

All three were associated with McCann's vintage growth era of the middle- to late-1970s. They stress that Grandfield Rork Collins is not a McCann breakaway. (Breakaway agencies are usually formed specifically to handle or poach part of the former parent's business). All *three have had other jobs since* leaving McCann, though in Mr. Grandfield's case (chairmanship of the now-aborted Saatchi and Saatchi International), *it was* brief of tenure.

GRC says it will be a full-service agency. It says there is a gap in the market between agencies at the top that are already big and struggling to grow bigger, and the creative boutiques and smaller-billing shops at the bottom. The gap, said to lie in the £5m-to-£20m-*billing range, is there to be* exploited, says GRC, by agencies like itself that can provide top talent to work in the closest possible partnership with clients and offer a total marketing com*munications service.*

Mr. Grandfield resigned from McCann in April, saying it was "a refreshing change to get back to the real business of advertising instead of being buried by the bureacracy of a *group like Interpublic."*

He firmly denies "poaching" for business, though it is known he has talked to Tesco, at around *£7m* almost certainly McCann's single biggest client (Rothmans could be bigger). Messrs. Grandfield, Rork and Collins worked closely on the Tesco Checkout campaign.

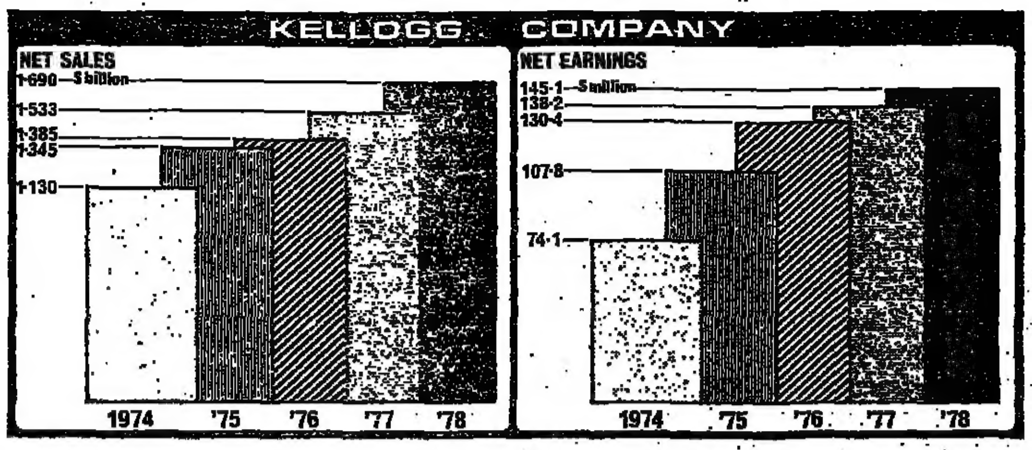
McCann itself is not amused by Grandfield Rork Collins, nor by the speculation that has surrounded its birth. That doesn't worry Mr. Rork. "Right now, McCann should be reading Decline and Fall—it shouldn't worry about what is happening outside the agency but what is happening inside it. In offices around the world the McCann psychology has not been helped *by the Miller story. For our* part, there is absolutely no vendetta."

Two weeks ago, McCann in London lost the £2m GEC Schreiber account. It has lost other business this year, though group chairman Ann Burdus says McCann will finish the year "ahead." She recently reorganised the group's top *management, and says she plans* to make Harrison McCann a £20m. agency by the end of 1980.

So spins the whirligig.

Kellogg's UK sales already top £100m. But for the 1980s it plans significant diversification into non-cereal sectors. Report by Michael Thompson-Noel

New foods: rise and shine at Kellogg



EVEN THE mightiest of food manufacturers suffers distribution hiccups. In salubrious Newmarket a few days ago, I arrived unpromptly at the breakfast table and asked for corn flakes. "You'll laugh, I know," the waitress said, "but Kellogg's off."

The Kellogg Company of Great Britain has more serious problems at present, because for seven weeks its main breakfast cereal manufacturing plant in Manchester has been closed by a strike. That did not dampen the mood in London last week, however, when Kellogg's marketing top brass revealed further plans for diversification into non-cereal sectors.

The company is about to *launch Kellogg's Super Noodles* into an instant noodle market expected to be worth around £30m at RSP by the end of 1980; *plus Kellogg's ready-to-toast* frozen Waffles, the company's first foray into a frozen food market currently worth £600m, which for perspective's *sake* is approximately four times the value of breakfast cereal sales.

Super Noodles will be supported by £1m worth of advertising over the first nine months, said to be one of the heaviest-ever spends for a food product launch; Waffles will be supported on Press and TV by £500,000 worth of advertising in *its first full year. Both cam*paigns have been devised by Leo Burnett.

These new products should gain sales of £4m or so by the end of next year, and illustrate Kellogg's determination to *spread* its wings beyond the cereal sector. UK sales at present total more than £100m. 95 per cent or so accounted for *by traditional cereal products* like Kellogg's Corn Flakes, Rice Krispies, Special K, All-Bran, Frosties and the delectably-entitled Puffa Puffa Rice.

By the end of the 1980s, however, Kellogg hopes that at least *a third of its sales by value will* be derived from non-cereals, though in customary deference to business orthodoxy it says it will not only not ignore its cereals franchise but extend and improve the range to protect itself from branded goods rivals as well as own-label.

Moves in the UK clearly mirror Kellogg's ambitions world-wide. *International* sales of the Kellogg Company, including domestic U.S. business, grew 10 per cent last year to $1.69bn; earnings grew more modestly, by 5 per cent to $145.1m. U.S. sales accounted for 66 per cent of the total last year against 69 per cent in 1977, whereas sales in Europe accounted for 17 per cent of the aggregate (and 11 per cent of earnings) against 14 per cent and 9 per cent respectively in 1977.

Michael Darling, Kellogg UK's assistant managing director for sales and marketing, says three years' development work have gone into Waffles and Super Noodles, which represent the start of a long-term diversification plan.

"Already a major food manufacturer, our goal is to market a wide range of national brands in several categories. Even in the cereal market we are confident of expansion outside our *traditional ready-to-eat* products: Extra, our instant hot oat product recently launched nationally, represents our first step in this direction. In the frozen convenience food market we intend to follow Waffles with the launch of other unique, value-added frozen food products."

Unique or no, Kellogg has had *mixed success with its new* products so far. Its Rise & Shine Fruit Drink, the first properly branded powdered fruit drink in the UK, is currently still warding off General Foods' Birds Apeel and recording volume increases. But neither Kellogg's Two-Shakes, a powdered milk shake, nor its Fudge Mix, have set the grocery trade on fire.

Kellogg is planning a £1m advertising campaign for Super Noodles, said to be one of the heaviest-ever spends for a new food product launch

Mr. Darling says Kellogg wants fewer of its eggs in the same basket, though its diversification will be into food areas related to the Kellogg image. "We're looking for big ideas in non-cereal areas. In frozen food, *our products will be based on* convenience and added value in a search for the best return on capital, which is why there won't be a Kellogg's frozen beefburger, or any Kellogg's frozen fish."

One area of interest — alcoholic powdered drinks—was dismissed as way beyond the Kellogg pale; though the company admits it could have made a useful splash in instant custard, if it had got there in time.

A 100g (3.5 oz) packet of Super Noodles should sell at 32p and will be nationally available from September. It is the first new product to emerge from Kellogg's Wrexham, Clwyd, factory and marks the first-ever *major attack by a UK food* manufacturer on the £530m fresh and instant potato market.

Waffles is the first new product to be manufactured at Kellogg's Skelmersdale plant (on machinery imported from Australia). A pack of eight should retail at between 44p and 49p. From freezer to toaster to table, they are ready to eat within three minutes.

According to John Johnson, Kellogg's manager for consumer marketing in Britain, the core of Kellogg's business philosophy —aggressive marketing of high-turnover, heavily advertised convenience food products—is demonstrated by its advertising expenditure over the last 20 years: a total of £140m at 1979 prices, of which approximately £56m was spent on its flag-ship brand, Kellogg's Corn Flakes.

As you would expect, Mr. Johnson makes all the right noises about the "inventive genius" of the company's founder, Mr. W. K. Kellogg, about grains' and cereals' contribution to a "better balanced diet," and about the importance of dietary fibre, or roughage. In Britain, Kellogg's sales of bran products are booming. All Bran is now the company's No. 2 best seller, by tonnage, and is attempting to "throw off its old-fashioned, constipational image." Thirty per cent Bran Flakes is Kellogg's fastest-growing breakfast cereal. And Kellogg's Corn Flakes has in effect been relaunched. "Fundamentally," says Mr. Johnson, "our main-line business is in good shape."

Nor is Kellogg's doing too bad *internationally, although on a* consolidated basis, higher selling prices were the major source of its sales gains both *last year and in 1977*—accounting for $130.2m out of a sales increase of $157.2m last year, and $113m out of $148m in 1977. The balance resulted from sales by newly-acquired companies, the marketing of new products, and, in some product areas, genuinely increased volume.

The Kellogg Company has prospered mightily since 1902 when William Keith Kellogg set up the first ready-to-eat cereal factory in Battle Creek, Michigan, as a manufacturing offshoot *of his brother John's sana*torium. The Battle Creek plant survives today, though on a vastly bigger scale. All told, the Kellogg Company now runs 49 plants in 20 different countries, producing over 1.5bn lb of ready-to-eat cereals each year, as well as another 1.5bn lb of other easy-to-prepare foods.

For food majors everywhere, *the name of the game in the* next decade will be diversification, particularly into the convenience, frozen food and fast *food sectors. Next time I visit* Newmarket I will ask for Kellogg's Waffles, and see where it gets me.

ITV's loss could be 'as little as £10m-£14m'

ALTHOUGH THE Independent Television pay battle developed into a lock-out yesterday, few advertisers or their agencies have suffered real material damage so far. Most remain convinced that the dispute will be settled by the end of August, *or the first* week in September at the latest.

In net revenue terms, this could mean a loss to ITV of as *little as £10m to £14m, roughly* 3 per cent of the network's forecast revenue for the year as a whole—approximately £420m.

According to a spokesman for one top London agency: "August is almost the best month possible in which to resolve an ITV pay dispute. We remain reasonably optimistic that the dispute will be settled by the end of this month. The ITCA (Independent Television Companies Association) has made its point. We get the impression that only a very slight improvement in the pay offer would be jumped on by the unions."

Net ITV revenue last August was £24.4m. The forecast for this August was of a revenue gain of 6 to 10 per cent, to *around £26m. By the end of the* month, the network's lost revenue would total approximately £20m, of which one-third *to one-half, according to* estimates, would be re-allocated for the autumn.

The situation would change *radically if the dispute carried* on into the autumn. TV costs would reach their maximum and advertisers would suffer in the *mêlée. Ian Spear, media and* finance director at the Ted Bates agency and chairman of the Institute of Practioners in *Advertising's media committee,* said yesterday: "The contractors probably realise that running the dispute deep into September would gravely reduce their flexibility. Many advertisers would not be able to reallocate the 'lost' funds they wished to."

The sort of advertisers that are suffering, apart from soft drink manufacturers, are film promoters and part-work publishers such as Marshall Cavendish. The latter was the 18th biggest UK TV advertiser *last year, spending £3.7m in* MEAL terms. This month it planned three test-market operations for major launch in *September, which may have to* be aborted if airtime demand in September becomes as tight as expected.

Branded goods manufacturers, such as the confectionery division of Cadbury-Schweppes, have to date hardly been affected. Gareth Hughes, Cadbury's confectionery marketing director, says that only three Cadbury brands out of a total of 18 were due to be on air this month. Next month, however, Cadbury plans a major Dairy Milk campaign. Mr. Hughes says his division plans a total ad spend this year that will be "significantly higher" than last year's MEAL-based £11.8m, and roundly dismissed a report yesterday that Cadbury was planning a £3m-to-£4m advertis*ing cut this autumn.*

If the dispute persists into September, the most celebrated casualty could be Now! maga*zine. Sir James Goldsmith's first* venture into UK publishing, which is due to launch a £750,000 ad campaign (70 per *cent of it earmarked for ITV)* in the week preceeding its September 14 debut. The total projected promotional spend to *the end of the year is £2.25m.*

● Net ITV revenue in July was £27.4, against £24.7m in July last year.

McCann moves £8m

PLANS TO boost Harrison McCann, the main McCann-Erickson subsidiary, into a £20m agency by the end of 1980, have been advanced by the decision to transfer up to £8m worth of business from the main agency (see McCann's Hot Summer, this page). The accounts include £3m worth of Milk Marketing Board business.

McCann chairman Ann Burdus has already announced the appointments at Harrison of Ron Dazeley as vice-chairman and chief operating officer, and of John Adams (formerly at McCann, Chicago) as managing director.

● **TELEDATA**, the Associated Newspapers subsidiary, has moved its account, expected to be worth more than £1m in 1980, out of Saatchi's and into Moxon Dolphin and Kerby.

● **THE PROGRESS** Agency is to handle advertising for Rymans, the retail office stationery chain. The account is worth £130,000.

● **AUGUSTUS BARNETT** has appointed Downton Advertising and is raising its spending to £350,000—£100,000 more than last year.

● **TWIGGY**, the slim-line model, stars in a £400,000 campaign for Moulinex hair care appliances starting in November.

Wouldn't you protest if Shell ran a pipeline through this beautiful countryside?

They already have!

Tom Allen,
Shell Horticulturist:

"When Shell proposed a pipeline from the North East coast of Anglesey to Stanlow refinery, seventy eight miles away in industrial Cheshire, people were worried.

The line would run through part of the Snowdonia National Park and have to pass under rivers Conwy, Elwy, Clwyd and Dee.

What scars would remain?

It is five years since the line was laid, and as I fly along the route today, even I can see no sign of it.

On the ground, the course of the pipe can be followed by a series of small unobtrusive markers. Apart from these, there is nothing to tell you that the top of a pipeline runs one metre beneath your feet.

The sheer invisibility of the line surprises visitors but not me. I was responsible for re-instating the land and well know what unprecedented lengths we went to.

Every foot of the way was photographed before digging started, and the vegetation restored the way the record showed it . . . even to the exact varieties of grass.

Sometimes, I agreed deviations in the line to avoid disturbing rare trees. In addition, a team of archaeologists preceded pipeline contractors to make sure that the route would avoid cromlechs, barrows, earthworks and other historical sites.

We are proud of the result, and it shows the way for other conservation projects."

You can be sure of Shell

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Whilst an exceptional candidate from the Profession will be considered, it is probable that relevant commercial experience will be a significant influence on the compilation of the final shortlist.

Please send a detailed c.v., clearly stating contact telephone numbers, to Peter Wilson, F.C.A., Management Appointments Limited (Recruitment Consultants), Albemarle House, 1 Albemarle Street, London W.1. Tel: 01-499 4879.

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N.B.—A vacancy also exists for a Consultant in the Company's investment performance measurement services. Applications from candidates experienced in this area, aged and qualified as above are invited under reference CIPS 3937/FT, to the Managing Director:

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Five-figure salary + car

Our client, the highly successful United Kingdom subsidiary of a major international group, requires an experienced, energetic Financial Director. Applicants should hold an ACA, ACMA or equivalent qualification and will preferably be graduates.

The key requirements include the ability to manage a modern accounting function through a young team of able accountants, the personal attributes to hold his or her own in the boardroom and with senior European and US financial management.

Also required is the experience to ensure the smooth operation of a sophisticated suite of computer-based cost accounting management and financial control systems.

Age is of less importance than the ability to plan, organise, direct and control the budgeting, financial and management accounting affairs of an organisation with a £20m turnover from its UK operation. The company headquarters are pleasantly located within easy reach of Belfast with excellent educational and recreational facilities near at hand. Salary, which could be well into five figures, will not be an obstacle for the right person. An appropriate car and the other benefits usual at this level will be provided.

Please send comprehensive career details to PA quoting reference number 37 FD on the envelope. Replies, which should not refer to previous correspondence with PA, will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent.

PA Management Consultants

Executive Selection Division, Ulster Bank House, Shaftesbury Square, Belfast BT2 7DL.

PA

A member of PA International

Financial Controller

London W.1. — **c. £12,000**

plus car and bonus

A very profitable commercial company (T/O £3m), with market leadership in its sector and excellent recent and forecast growth, seeks a Controller to be responsible for all finance functions, with a small staff and EDP support. He or she will also advise the Managing Director on planning and commercial policy matters.

Candidates should be qualified accountants aged 35-40 (extremes 32-50) with recent experience controlling the finance side of an independent company or autonomous profit centre. EDP systems experience, staff control and personal maturity are all required. Prospects are excellent.

For a fuller job description write to John Courtis & Partners Ltd., Selection Consultants, 78 Wigmore Street, London W1H 9DQ, demonstrating briefly but explicitly your relevance and quoting reference [illegible].

JC&P

FINANCE DIRECTOR —EUROPE

TIP

Transport International Pool, world leader in trailer rentals, and part of an international transport and vehicle leasing group whose sales exceed US $400 million, requires a Finance Director – Europe, to be based in Amsterdam.

As important as professional qualifications and administrative ability will be the drive and initiative to grasp the many opportunities that will arise within this fast-growing company.

The person appointed will form part of the European Executive Board and will report to the Managing Director – Europe. He or she will be responsible for all finance and administration throughout the company's 37 branches in 8 countries of Europe.

The ideal candidate will:
- be aged between 30 or 40
- be fluent in one or more European languages in addition to English
- have worked within the EEC in a financial or administrative role at senior level for some years.

Success in this position will lead to further opportunities within the group.

Apart from a high basic salary, the company offers a very attractive performance-related bonus scheme and a company car.

If you think you are the person for this challenging position, please write in confidence to: J. A. Cleary, Transport International Pool Ltd, Star House, 69/71 Clarendon Road, Watford, Herts.

Transport International Pool

YOUNG SOLICITORS

£6,000 – £10,500

required to join one of the largest industrial and commercial legal departments in the U.K. at its London Headquarters.

The work is varied and intellectually challenging: only those with at least a good second class honours degree or with honours in the Law Society's final examination should apply.

Starting salary between £6,000 and £10,500 depending on experience.

Applications, with full details, should be addressed to Legal Adviser, 40 Grosvenor Place, London SW1.

Commercial Director

Manchester Steel Limited, a dynamic Company within the private sector of the steel industry, is currently undergoing a programme of planned growth through the acquisition of further steel making and rod rolling capacity.

The Company, a part of the Norwegian based Elkem – Spigerverket Group, has an external annual turnover in excess of £50 million, mainly within the U.K.

In an attempt to strengthen the Senior Management team, we are to recruit a Commercial Director. Reporting to the Managing Director, the successful candidate will be accountable for the following functions:–

Financial and Economic planning/control.

Financial, Management and Cost Accounting/Analysis.

Purchasing, covering raw materials including scrap and billet, general materials and contract negotiations.

Marketing and Sales of finished products.

An MBA supported by a professional accounting qualification is desirable, along with a proven commercial success record, preferably within the Steel Industry.

The commencing salary will reflect the importance of this appointment together with attractive fringe benefits normally expected of a major international Company.

Write in confidence to the Managing Director, Manchester Steel Limited, Philips Park Road, Manchester M11 3ET.

MS

Manchester Steel Limited
Johnson & Nephew (Mill Street) Limited

An international engineering company with a fast expanding business requires an

Investment Analyst– Monaco

to be responsible for providing extensive management level support for the identification, research, analysis and proposal presentation of prospective investments.

He/she is the primary initiator of all diversification efforts of the company, including preparation of strategy, orientation sessions for management and other activities to improve organisational awareness of such opportunities.

Candidates should have a business administration education with specialisation in economic analysis, experience in investment analysis or controllership of industrial companies.

Please send full c.v. and a photograph before the 13th September. These will be forwarded direct to our client. List separately companies to whom they should not be sent. Ref. B.1375.

MSL CONFIDENTIAL RECRUITMENT
17 STRATTON STREET LONDON W1X 6DB
A member of MSL Group International

Committee of London Clearing Banks

ACCOUNTANT

c£10,000 + fringe benefits
Age 25+ London

The Committee of London Clearing Banks wish to appoint an Accountant to be responsible for the preparation of all budgets and management and financial accounts. Some taxation work will also be undertaken as well as special ad hoc assignments.

Applicants should be qualified accountants, aged over 25, with some post-qualification experience preferably in the profession or a financial institution.

In addition to a salary of around £10,000, there are substantial fringe benefits including house purchase scheme, and non-contributory pension scheme.

Please send a comprehensive career résumé, including salary history, quoting ref. 1001/FT to A. R. Moore

Touche Ross & Co., Management Consultants

4 London Wall Buildings,
London EC2M 5UJ
Tel: 01-588 6644.

The Law Society — **£12,000+**

EDITOR OF THE GAZETTE

Applications are invited for the above post now vacant following the retirement of the former Editor.

The successful applicant, male or female, will manage the publication of the Gazette, circulation 53,900 weekly and the Guardian Gazette, 67,000 monthly with an annual turnover of £1.5 million.

The Editor, preferably but not necessarily a solicitor, must have a general knowledge of the law, the capacity to express ideas clearly in writing, (journalistic experience would be an advantage), and management ability.

The post offers a commencing salary not less than £12,000 per annum, subject to annual review, with prospects of higher rewards related to performance. Conditions of service include 23 working days leave, contributory superannuation scheme with widows provision and free life assurance cover.

Application forms are available from the Personnel Manager, The Law Society, 113 Chancery Lane, London WC2A 1PL. Telephone: 01-242 1222, to be returned not later than 21st September, 1979.

HARLOW MEYER & COMPANY

FOREIGN EXCHANGE AND CURRENCY DEPOSIT BROKERS

requires TRAINEES in its dealing-room — age 17-22. Experience not necessary but lively personality and active mind essential.

Application with full background details to

The Secretary,
HARLOW MEYER & CO.
Adelaide House, London Bridge, London EC4R 9EQ

هكذا من الأصل

هكذا من الأصل

Internal Audit Manager

West London c. £9,500

The Company is a highly profitable part of a well known group. With a turnover of over £25 million, its continued record of growth means that is is now the established market leader. You'll be based at HQ in West London, although there will be considerable travel to branches elsewhere in the UK.

The new post of Internal Audit Manager is a twofold role. Firstly you'll be managing the team doing the routine audits and secondly you'll be indentifying training needs of accountancy and administration personnel and organising such training as is necessary. Your job will mean considerable invlovement with day-to-day auditing together with the chance to develop the auditing function in the future.

You must be able to offer professional qualifications and previous auditing experience - the industry in which you have worked is immaterial but wide experience is essential. You'll have a keen. enquiring mind and dealing with a large variety of people will call for good comunication skills and tact. In addition to an attractive salary, other benefits include a pension scheme and relocation expenses to West London where necessary. Prospects within the company's general management or within group audit are excellent.

Please write to Paul Rigden giving concise career details and current salary to the address below enclosing the names of any companies to whom you do not wish to apply. Strictest confidence will be maintained at all times.

Applications are welcome from both men and women

Brockie Haslam

BROCKIE HASLAM (NORTH EAST) LTD., CALE CROSS HOUSE, 156 PILGRIM STREET, NEWCASTLE UPON TYNE NE1 6BN.

PERSONNEL MANAGER

c. £12,500

CITY PROFESSIONAL FIRM

This is a new and challenging post with responsibility for a staff of 500. Applicants will ideally be aged 30/45 with experience of dealing with comparable numbers and preferably in a professional organisation.

The appointment, which will be both advisory and executive, will require a sound knowledge and experience of personnel management, planning, communication, training and remuneration and above all a deep human understanding.

Applications please (handwritten) with curriculum vitae to:—

The Staff Partner,
Box A.6877, Financial Times,
10 Cannon Street, EC4P 4BY.

ASSISTANT GENERAL MANAGER

Investment and merchant banking subsidiary of a prime international bank

Our Client is a well established and highly successful international investment banking operation, associated with one of the most substantial forces in Middle Eastern banking.

Current expansion plans call for the recruitment of a senior banker to work closely with the General Manager on the implementation and further development of the company's activities, which embrace the areas of project finance, medium term lending and eurobond syndications.

Ideal candidates will be in the age range 35-45 years, with a broad exposure to international banking, preferably including a good knowledge of the above areas, and essentially possessing personal qualities of sound judgement, maturity and leadership.

This is an exciting and responsible position with considerable scope for personal development, which will carry a thoroughly competitive salary and attractive fringe benefits.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd

Loan Officer

MARINE MIDLAND BANK is seeking a Loan Officer to be based in its London office. He will be responsible for building and supervising a part of the Bank's corporate lending business, principally in the Middle East but also, to some extent, in Continental Europe.

First class experience in commercial banking, a sound credit knowledge and an acceptance of frequent travel are all essential. Familiarity with the Middle East and exposure to U.S. banking techniques would be additional advantages. A knowledge of French and/or German, although not essential, could also be helpful.

This position offers an attractive opportunity for a young banker (28-35) who wishes to advance his career through wide international activity and could possibly attract someone now living in the Middle East but who would prefer to be based in London. The salary will reflect the importance of the position.

Please write to: Mr R.J. Freeman at the address below.

MARINE MIDLAND BANK
34 Moorgate, London EC2R 6JR.

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Aimless, inexperienced searching usually leads to jobs with continued frustration and less satisfaction.

Purposeful and skilled search leads to high rewards, high satisfaction and enjoyment.

Our skills and experience can help you become purposeful and gain placement in a situation that is appropriate to your individual talent and needs.

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Royston Ridgeway

Career Managing People
Kent House, 87 Regent Street
London W.1 and at Manchester

Banking
The Gulf
CHIEF INTERNAL AUDITOR

(Arab Speaking)

$40,000 -- substantial benefits

A major commercial bank in the Middle East seeks to appoint a Chief Internal Auditor who will report to the Chief Executive and be responsible for the supervision and development of the bank's internal audit organisation.

Applicants should be aged 30–40 and either be professionally qualified accountants or alternatively, hold a university degree in accounting and have at least seven years relevant experience in accounting. Experience of banking or some other financial institution is required together with considerable experience of auditing computer based systems.

In addition to a tax free salary of $40,000, there are attractive fringe benefits including free furnished accommodation, interest free car loan, children's education allowance and 45 days annual leave.

Please send a comprehensive career résumé including salary history, quoting ref.1002/FT to A. R. Moore

Touche Ross & Co. Management Consultants

4 London Wall Buildings,
London EC2M 5UJ
Tel: 01-538 6644.

MANAGING DIRECTOR IRAN

Our client is a leading pharmaceutical group with excellent products. The company is well established in Iran, and will continue its growth in this important market.

The Managing Director will direct the present staff of fifty people and work with successful distributors.

The ideal candidates will probably be either a British Manager with experience and interest in Iran or an Iranian who can accommodate effectively to changing political and commercial conditions.

A generous compensation package can be shaped to the needs of the person appointed.

Reply in complete confidence with career details to Wendell S. Clough.

Clough Associates Inc.

87 Regent Street Suite 73/74
London W1R 7HF England

Commodity Manager

c£30,000+benefits

A natural leader who has learned the commodity business through hard experience is required to manage the Futures Division of a market leader. The location is Australia where the futures industry is undergoing dramatic expansion, both in terms of types of contracts traded and market penetration.

Robert Howes & Associates are Australia's largest broker and intend to continue leading the industry in a mature and responsible manner. **The person we are seeking will play a vital role in attaining these objectives.**

Don't pass over this opportunity either for reasons of unfamiliarity with Australia or the relative youth of the Australian futures industry. The position is a head office appointment in Sydney, a cosmopolitan city of considerable financial and social sophistication, which is undoubtedly one of the world's most idyllic locations in terms of climate and surroundings. The successful applicant will see the relative youthfulness of the market as a positive opportunity to shape the future of an entire industry.

The remuneration package will fully reflect the calibre of the successful applicant. Achievement incentives will be a component of this package.

It will be apparent that the successful applicant will need to be very experienced, not only in the area of commodity trading but also in the areas of business and staff management. Whilst not wishing to preclude any applicant who feels suitably qualified, we envisage a person in his thirties or forties who, put simply, has 'done it all'.

As an important career appointment, further advancement within the overall organisation is anticipated.

Interviews in London will be arranged with chosen applicants and should occur during September. Applications will be kept confidential.

Please address replies with full details of your track record to:
Ingolf Eide, General Manager,
Robert Howes & Associates Pty Ltd,
Bank of Adelaide Building,
275 George Street, Sydney, NSW 2000,
Australia. Telephone: 29 2911.

Robert Howes & Associates

The investment professionals

CHARTERED ACCOUNTANT – U.K./EUROPE

KING'S LANGLEY, HERTS — **DEXION** — From £9,000 + Car

- Dexion-Comino International Limited, (a division of Interlake Inc. of Chicago), Europe's leading manufacturer of storage equipment, requires a professional to strengthen its existing European Internal Audit team.
- The successful candidate will:–
  - Have Audit experience at Audit Supervisor level or above, preferably in an engineering environment.
  - Be proficient in written and spoken German *or* French.
  - Preferably be familiar with US/European accounting procedures.
  - Be prepared to travel widely throughout Europe.
- Additional to salary, a comprehensive benefits programme in line with major international employment is provided and relocation expenses to near the UK Base will be paid where required.
- For an application form, please contact Linda Hayward, Recruitment Secretary, on Windsor (07535) 67175 (24 hrs) Quoting Ref. FC/305/3

A subsidiary of Finance for Industry Ltd.

ICFC Training and Management Consultants Ltd.

The Specialists in Recruitment for Medium Sized and Private Companies.

Group Financial Controller

Central London to £17,000 + car

The Group Financial Controller is the senior financial appointment within this Group, below main board level, working closely with the Group Financial Director in a wide area of corporate financial matters. The successful candidate will be responsible for the central finance department, including statutory consolidations, management information systems, cash management and taxation. Our client is a major international engineering group (T/O £400m) with appreciable overseas interests. Applicants (male/female) must be Chartered Accountants, aged 30-35, who have spent a minimum of three years with a major professional firm and have gained three to five years' broad financial management experience in industry or commerce. REF: 1132/FT. Apply to R. P. CARPENTER, FCA, FCMA, ACIS, 3 De Walden Court, 85 New Cavendish Street, London W1M 7RA. Tel: 01-636 0761.

Phillips & Carpenter

Selection Consultants

SALES EXECUTIVE

FINANCIAL WEEKLY is seeking a self-motivated sales executive to sell financial advertising to a wide range of public companies. The successful applicant must be able to deal with people at senior level. A keen interest in the stock market would be an advantage.

Negotiable salary: other benefits include a company car, pension scheme, free life insurance and bonus.

If you would like to grow with this successful financial weekly, please write or telephone:

Brian Coleman-Smith, FINANCIAL WEEKLY,
9 Holborn, London EC1N 2LL - 01-405 7254

BERMUDA ACCOUNTANTS

Ref: 41934 Salary $22,000

Age 27-35 years

Our Clients, a major International Broking House, have vacancies in their Bermuda Office for 2 qualified Accountants. Conditions of service are as would be expected of a large progressive organisation.

Please telephone in complete confidence.—

Trevor M. James,
I.P.S. Group,
(Employment Consultants)
01-481 8111

Finance Director

c£13,000

Pharmaceutical manufacturers and distributors operating internationally but based in London wish to replace their finance director consequent on his promotion.

Responsibility is to the managing director for all aspects of the finance and accounting functions as well as for secretarial and administrative duties.

Preference will be given to chartered accountants with a record of achievement in implementing sophisticated management techniques in a manufacturing environment preferably, though not essentially, within the pharmaceutical industry.

Age mid to late thirties. There is some transatlantic travel.

Please write in confidence for an application form and a job description to David Prosser, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY, quoting MCS/3779.

Price Waterhouse Associates

SCOTTISH STOCKBROKERS

would be interested to hear from any member considering a change of base.

Primary requirements are a sound investment business and the ability to maintain and develop it from the pleasant city of Edinburgh.

Enquiries will be treated in complete confidence.

Write Box A.6876, Financial Times, 10, Cannon Street, EC4P 4BY.

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

SENIOR CREDIT ANALYST c. £9,000

Our client is a young overseas bank, which combines a record of dynamic growth with a first-class reputation for its professionalism. At the bank's London office, a most attractive vacancy occurs for an analyst, probably aged about 30, with several years' experience of the analysis and appraisal of international lending propositions. It would be a decided advantage for candidates to have had formal credit training within a U.S. bank. There are significant prospects for career advancement in the short to medium term.

Please contact KEN ANDERSON

LOAN SYNDICATION EXECUTIVE £ Negotiable

A leading Far Eastern commercial banking corporation, long established in London and with a global presence, requires an additional member of the Syndication Department at its London branch. This progressive appointment is open either to an experienced Loan Syndication Officer, or to a young graduate interested in developing his or her career in this field. In both cases a competitive salary/benefits package is negotiable according to the background of the successful candidate.

Please contact KEN ANDERSON

CHARTERED ACCOUNTANTS to £7,500

There are currently a number of openings for recently qualified A.C.A.s within the accounting and reporting areas of leading international banks. Additionally, in the merchant banking sector there are career opportunities in Corporate Finance.

Please contact PETER S. LATHAM

EUROBOND ADMINISTRATION £ Negotiable

An international merchant bank, active in the Eurobond markets, is expanding its operation as a central agent in the City. The bank seeks a person – age immaterial – with the relevant experience of collecting coupons as central agent and organising the subsequent payment of proceeds.

Please contact RICHARD MEREDITH

First floor–entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

CJA

RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

A demanding appointment with opportunity to advance to a more senior position in finance or line management outside finance within 12-24 months

CJRA

FINANCIAL ANALYST

BERKSHIRE **£8,000—£11,000**

RAPIDLY EXPANDING INDUSTRIAL MANUFACTURING COMPANY — NOTED FOR ITS MODERN MANAGEMENT METHODS — T/O £100 MILLION+

Applications are invited from qualified accountants, aged 23-28, who have acquired a minimum of 18 months' practical post-qualification experience preferably in industry. The successful candidate, who will work closely with general management, will, on appointment, be responsible for financial analysis within a particular division of the company. Your responsibilities will include budgets, forecasts, monitoring actuals against targets and ad hoc investigations. The company operates a tight financial reporting and control system. Candidates must be of sufficient calibre to warrant further promotion within 12-24 months. Initial salary negotiable, £8,000-£11,000, contributory pension, free life assurance, assistance with removal expenses if necessary. Applications in strict confidence under reference FA11554/FT will be forwarded unopened to our Client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager:

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH

Reed Executive

The Country's most successful Recruitment Service

Financial Director

Birmingham **£15,000 neg + car**

This position is at the centre of a large Division of a major public engineering group and has arisen following a promotion into another Division. Reporting to and supporting the Divisional Chairman, responsibilities will embrace formulation and co-ordination of financial policy for the Division, agreement of corporate strategy and subsequent operating performance appraisals, general financial guidance on effects of changing business conditions together with management of the Divisional computer operations. Candidates should be qualified, preferably 35 — 50, with a proven management record within a manufacturing environment. Business acumen coupled with strength of character and tact are essential to a successful appointment.

Telephone: 021-643 7226 (24hr. Service) Quoting Ref: 1406/FT, Reed Executive Selection Limited, 6th Floor, The Rotunda, Birmingham, B2 4PB.

The above vacancy is open to both male and female candidates.

London Birmingham Manchester Leeds

JAMES CAPEL & CO.

EXCEPTIONAL OPPORTUNITY IN U.K. EQUITIES

We are looking for an additional junior executive for our UK Institutional Equity Department, who is enthusiastic to join a marketing team which works closely with a Research Department of the highest calibre.

The successful candidate is likely to be a graduate in his or her twenties, and may have a professional qualification or some experience of the stock market gained either with a broker or investing institution.

Emoluments will be very competitive.

If you think you might be interested, please ring or write in confidence to:

Peter Quinnen,
James Capel & Co., Winchester House,
100, Old Broad Strert, London EC2N 1BQ.
Tel.: 01-588 6010

DIRECTOR/GENERAL MANAGER

MANCHESTER £15,000 plus car

Our client, a substantial international company concerned with the manufacture and importation of clothing both within the U.K. and overseas, needs to recruit a senior executive at Board level to take day to day responsibility for a major part of the business.

The role envisaged will include responsibility for administration, finance, planning and scheduling production, warehousing and distribution, personnel and commercial-staff, together with some customer relations development.

The person appointed will be responsible to the Managing Director.

The company has a turnover currently in excess of £10m. and is expanding rapidly.

The contribution required is one of attention to detail in all areas outlined above, a high degree of numeracy, strong commercial application, an ability to grasp and develop business opportunities, self motivation and leadership.

Knowledge of the garment industry is desirable, but lack of this would not rule out suitably qualified candidates.

The position carries full company Board status, and benefits and salary package will be negotiable and attractive to the right candidate.

Applications in confidence to: The Chairman, c/o

Barnaby & Tarr Company Limited

Progress House, 396 Wilmslow Road, Manchester M20 9BP, England
Tel: 061-445 2432 Telex: 667249

Loan Syndications

A prime international Merchant Bank is expanding its business in this field and, as a consequence, now requires a resourceful banker to join a small team as an Assistant Syndications Manager.

Applications are invited from suitably qualified executives, aged 27 to 32, with a sound general banking background and extensive experience of wholesale corporate lending in both international and domestic markets. A knowledge of syndicated lending is desirable.

The working atmosphere is one of efficient but informal decision making with much reliance placed on personal initiative. It is vital, therefore, that you are ambitious, with proven ability in executing transactions.

A competitive salary will be offered which together with the usual range of substantial banking benefits will be attractive to executives of high calibre.

Please write in confidence, giving details of experience, qualifications, age and salary to Position Number ASL 7461, Austin Knight Limited, London W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

BUSINESS DEVELOPMENT

An International Bank is seeking a senior business developer to assume responsibility for promoting the Bank's services in Africa and parts of the Middle East. The successful candidate should have proven expertise in business development and a working knowledge of one of the above mentioned areas. Fluency in French is essential.

Age: 25/40 **Salary: £five figures negotiable plus a generous benefits package**

SENIOR INTERNAL AUDITOR

Required by a major North American Bank. The successful applicant should be qualified or part qualified A.C.A. Prospects for future advancement are excellent

Age: 21/30 **Salary: up to £8,000**

FOREIGN EXCHANGE DEALER

An acknowledged force in the Forex market, this International Bank requires an experienced Senior Dealer to take charge of its exchange dealing activities.

Age: 26/35 **Salary: Circa £12,000**

CREDIT ANALYSTS

Department Head, three positions up to £10,000. Two years experience. Six positions up to £7,500.

BANKING PERSONNEL
41/42 London Wall · London EC2 · Telephone: 01-588 0781
(RECRUITMENT CONSULTANTS)

Personnel/Administration

INTERNATIONAL ENERGY BANK LIMITED

wishes to appoint a Personnel/Administration officer, reporting to the Executive Vice President. The main responsibilities will include: recruitment of non-managerial staff; maintaining personnel records and the administration of staff benefit schemes, together with the usual office administration duties.

Accordingly, the successful candidate, ideally aged between 35 and 40 should have a working knowledge of current employment legislation and have had a number of years experience in a bank's personnel department. Membership of the I.P.M. would be advantageous though not essential. Salary will be negotiable depending on age and experience.

Please write enclosing a curriculum vitae, in complete confidence to:—
David Patten, International Energy Bank Limited,
Winchester House, 100 Old Broad Street, London EC2M 1BE.

Financial Controller

Coventry area **to £14,000 plus car**

A major capital goods manufacturer (T/O £60m), part of a prestigious public group, seeks a Controller, to be responsible to the Financial Director for all finance functions in its UK and overseas operations. There is unusual scope for personal contribution, both in the short-term, on profit improvement exercises and control systems development, and longer term on corporate planning.

Candidates should be qualified accountants (preferably chartered), ideally aged 32-40, although there is no arbitrary upper limit, with substantially relevant experience in industry. A period running the finance side of an engineering company or autonomous profit centre (or deputising in a larger structure) is indicated. This new job is an excellent opportunity to apply above-average experience in a very receptive environment.

For a fuller job description write to John Courtis & Partners Ltd., Selection Consultants, 78 Wigmore Street, London W1H 9DQ, demonstrating briefly but explicitly your relevance and quoting reference 7042/FT.

JC&P

Assistant Financial Controller

Central London to £15,000 + car

Our client is an international market leader (T/O £70m) providing computer based systems and real-time information to the business community and the media worldwide. The successful candidate will report to the Financial Controller and in his absence deputise for him. The department numbers in excess of 80 staff. Applicants must have already held a position of responsibility in a line role and have proven man management experience. Because of the international complexities inherent in the role candidates (male/female) must be Chartered Accountants who have had several years' experience in a similar environment. They should be aged 30-35, preferably with a degree.
REF: 1133/FT. Apply to R. P. CARPENTER, FCA, FCMA, ACIS,
3 De Walden Court, 85 New Cavendish Street, London W1M 7RA.
Tel: 01-636 0761.

Phillips & Carpenter
Selection Consultants

Director of Audits and Procedures

U.K. and Continent

Salary negotiable

An American manufacturing corporation with world-wide operations needs a Director of Audits and Procedures to be in complete charge of their London based European Audits and Procedures Department of ten employees. The Director is responsible for financial audits, operational audits, systems reviews and other special financial projects for U.K. and Europe. The ideal candidate would be an experienced manager, male or female, with a large international accounting firm having a knowledge of U.S. accounting principles and U.S. accounting standards. Although not essential, fluency in French or German would be advantageous.

Benefits include car, BUPA, pension scheme, etc.

Applicants should write or telephone for an application form to Mr. R. Elson, Group Personnel Adviser, A D International Limited, 26/40 Broadwick Street, London W1A 2AD. Telephone 01-734 7801.

AD International Group — in partnership with dentistry

Job Search OPPORTUNITIES

- 75% of Executive Appointments over £10,000 p.a. are unpublished and go to those with the best contacts.
- As Europe's most experienced Job Search organisation we can provide you with all the facilities you need to build up contacts and locate your next employer.
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- Telephone us for a cost free assessment meeting.

Percy COUTTS & Co.
01-839 2271
140 Grand Buildings, Trafalgar Square, London WC2.

Marketing Assistant

Britannia Trust Management Limited, one of the UK's largest unit trust management companies with 230,000 unitholders and £220 million under management, is seeking a *Marketing Assistant.*

The successful candidate will work closely with the Marketing Director on all aspects of the Company's marketing programmes. He or she will have particular responsibility for the Company's customer relations policy and also for its advertising programme.

Applicants should have a sound knowledge of the personal savings market and of the techniques involved in the marketing of financial services.

A competitive salary will be paid and free BUPA membership provided.

Please write to or telephone: Keith Crowley, Director,
Britannia Trust Management Limited,
3 London Wall Buildings, London Wall, London EC2.
Telephone: 01-588 2777.

BRITANNIA TRUST MANAGEMENT

FIXED INCOME SPECIALIST
BAHRAIN

The American Express International Banking Group seeks an energetic Fixed Income Specialist for its investment banking unit in Bahrain. The successful applicant will cover major financial institutions in the Middle East and the Indian Sub-Continent and will be responsible for the placement of Eurobonds, floating rate notes, CD's and related securities as well as Middle East capital market instruments in this geographical area. The specialist will also market the bank's investment management services. Regular travel required.

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Ring for Appointment
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Company Secretary

required to replace a director who is about to retire. We are one of the leading suppliers of polythene/packaging/wrapping papers to the trade. This important post requires a strong level-headed person from the paper/polythene trade with good commercial experience who is or has been employed in a similar capacity with another company. We are not looking for a "yes" person but someone who has an enquiring mind, an excellent memory and the ability to get to the truth of a situation. The applicant must also be used to employing and controlling staff plus all the day-to-day office problems. This group of companies is expanding rapidly and is in the process of building a new factory to sheet/convert paper and board. Experience and knowledge of computers and business systems would be an advantage. Best salary for right applicant.

Write to the Chairman, Ridley, Quiney & Co. Ltd., 35th floor, London International Press Centre, Shoe Lane, London E.C.4.

هكذا من الأصل

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● HAND TOOLS

Bright idea in the home

TENTATIVELY described on this page on January 18 under the same title as above, the new Arrowlite "Afton" self-illuminating screwdriver is the first hand tool to make use of optical fibres to direct light precisely on to the work.

The handle of the screwdriver and the sheath covering the blade incorporate four optical fibres which channel light precisely to the tip of the blade and the slot of the screw, with no wasteful diffusion to the sides. The light is generated by two manganese/alkali batteries and a torch bulb contained in the strong plastic handle. The blade of the screwdriver is made from finest quality steel and has a tip measuring 7 mm across, while the complete tool is 264 mm long and weighs 160 g. World patents have been applied for.

Fibre-optic technology has so far been used mainly in communications and medicine. Its application to a mass-produced domestic gadget is the result of close collaboration between Arrowlite Tools of London and Pilkington PE of St. Asaph, Wales. Other hand-tools incorporating fibre-optic illumination are under development.

Afton screwdrivers will be available from all major department stores, DIY shops, hardware stores, motor accessory shops and service stations. Supplies can be guaranteed since manufacture is well advanced and the manufacturers are holding stocks.

Arrowlite, Norwich House, 13 Southampton Place, London WC1A 2AY. 01-242 6344-5.

● COMPONENTS

Long life telltale

TRADITIONAL PILOT lights using a filament bulb have an extremely limited life. This is particularly the case if they are subjected to vibration. As a matter of course, one large oil processing company changes all of its filament type pilot lights every four weeks. At best the life expectancy of filament bulbs is 1,000 hours and that of neon bulbs 3,000 hours.

Filament type lights also have another problem: they emit heat. Therefore, if several have to be mounted into one enclosure, the high heat generated necessitates the panel being re-graded into a lower ignition group.

By incorporating light emitting diodes (LED) Stahl has produced a pilot light with a life expectancy of 100,000 hours. To ensure even illumination of the indicator surface, there are seven single LTDs built into the pilot light. This provides a further distinct advantage—as the individual LEDs are unlikely to fail at the same time, failure of one or two acts as an early warning system.

The heat generated by lights of this type is only 13 deg. C, which allows several to be mounted into a control panel at no risk.

Operational life of better than 11 years means the control panel is virtually maintenance free and pilot light failure, which indicates breakdown would almost certainly occur only if there is mechanical damage or a faulty electrical connection.

Lights are available in four colours: red, green, yellow and white. They can be provided with a variety of pushbuttons and switches. These include a pushbutton two-way switch with a choice of key withdrawal in both positions or one position only.

Newman Electrics (Stahl Group), Mole Street, Sparkbrook, Birmingham B11 1XA. 021-772 8881.

● CONFERENCES

Engineering in the Post Office

POST OFFICE chairman, Sir William Barlow, will open the three-day "Progress in Postal Engineering," international conference being held at the HQ of the Institution of Mechanical Engineers, 1 Birdcage Walk, London SW1 (01-839 1211) on November 6, 7 and 8.

Such a conference has not been held since 1970. This year, there will be a review of postal engineering developments in recent years and future prospects for mechanisation and trends for the 1980s will be examined.

On November 9, overseas delegates will have the opportunity to visit the new Liverpool head office to see the latest mechanisation equipment in the UK.

Methods of operation in sorting offices in Oslo, Copenhagen and Canada will be covered and papers are to be given by delegates from Australia, Denmark, Italy, Canada and Japan.

Harnessing brain-power to reality

UNIVERSITY GRADUATES who go on to employ their academic talents in industry have often found that the sudden switch from campus life to the atmosphere of the factory floor is both a mental and cultural shock.

Hoping to bridge the gap between the two totally different worlds—and intending to effect a smooth, unhazardous transmigration—is the aim of a group of industrialists and academics, announces Cranfield Institute of Technology.

This idea follows a one-day CIT conference on graduates and the shop floor which was attended by more than 90 men and women from industry, public services, the universities and polytechnics, who emphasised the difficulties found by employers, graduates and teachers in this field.

The newly-formed working party will examine more closely the problems of graduates on the floor, make specific proposals for their solution and convey these proposals to people in industry and the universities who have to act on them.

Forum for paviors

FIRST EVER International Conference on concrete block paving (interlocking concrete paving) is to be held at Newcastle upon Tyne from September 2-5.

Organised by the civil engineering department of the university there, with the support of the Cement and Concrete Association and the Interlocking Paving Association, the conference aims to provide an opportunity for the exchange of experience on research, manufacture and application and includes an exhibition of manufacturing plant and ancillary equipment and related products.

More from the conference secretary, Miss M. Sanderson at University of Newcastle upon Tyne, Claremont Road (0632 28511).

● ELECTRONICS

Bubble memories for industry

PORTABLE, high security bubble memory units for use in industrial computer systems are offered by GR Electronics of Newport, Gwent. They are probably the first serially-interfaced add-on bubble memories to become available, and meet a need for a rugged bulk memory system which will operate reliably in harsh industrial environments.

GR 7000 series memories are solid-state and insensitive to dust, vibration and attitude. They are inherently non-volatile, data being safeguarded in the event of power failure or when the unit is unplugged for transport.

Likely applications are those where electromechanical memory systems would prove too delicate. They include local machine control in manufacturing industry; paper tape replacement in numerical control; secure storage of alarm limits, constants, control parameters and short-term historical data; and on-site data logging.

Data write and retrieve routines are incorporated in internal firmware, minimising the need for special software. Modules are available in 10, 20, 30 and 40K (eight bit) bytes with the facility for "daisy chaining" modules for greater capacity.

Memory input/output is serial at baud rates selectable up to 9600, with 30 milliseconds access time to any new start address in the memory. Thereafter data can be written and read at the full transmission rate selected.

Module size is 240 mm x 165 mm x 105 mm, and weight 3.5 kg.

GR Electronics, Fairoak House, Church Road, Newport, Gwent NPT 7EJ. 0633 67426.

● TEXTILES

Maintains quality of cloth

WITH THE universal application of synthetic fibres throughout the world textile industry an increasingly sensitive raw material is being used.

Incorrect tension applied to yarns at any stage of processing may well result in, at best, seconds quality cloth and, at worst, a reject. This becomes ever more costly as rates of production increase and to stop a process at such speeds can also present problems.

In the preparation of warps for eventual use in looms, a sheet of threads is taken from a creel and wound in parallel on to a warp beam. This is a high-speed process and it is essential that a perfectly even tension is applied to each end of yarn throughout its winding on the beam. Unfortunately, it occasionally happens that "something may stick" and this can tighten the tension of an individual end and so apply a stretch to it.

If undetected, the end can be woven into a cloth which is subsequently dyed. The end that has been stretched in this way will have a different dye affinity from those adjacent to it and this will result in what is called "a shiner" and so devalue the fabric.

To avoid this fault a new system of constant scanning has been developed in Germany by Enka Tecnica (British agent: British Enkalon, POB 62, Leicester LE1 9AF. Tel: 0533 553500). The Tensoscan is a compact travelling carriage that is traversed across a pair of rails mounted over the warp sheet. As it travels across it will scan and sense the tension of each end of yarn at a rate of some 300 per minute. If the tension is incorrect on an end, the Tensoscan stops, illuminates a warning light and indicates to the operative the end at fault.

Measurement is carried out by plucking each warp end and the deflection—equivalent to the warping tension—is measured through an inductive displacement transducer. It is this that decides whether or not the tension is acceptable.

If required, the system may be linked to a high-speed recorder so that the tension uniformity across the warper can be judged from a chart.

The Tensoscan is able to measure warps up to a reed gauge of 1.25 mm between each end of yarn and it has two variable threshold settings in the ranges 20-150 cN or 10-75Cn.

● IN THE OFFICE

Chances for new UK ventures

FIRST STAGE of a Department of Industry study of text processing has been completde. The study aims to assist with the establishment of the UK computing industry in the area of office automation and is to receive further support.

A consortium of members from the Computing Services Association, including Arthur Andersen and Co., Communication Studies and Planning, Langton Information Systems, Logica VTS, Pactel, Peat Marwick Mitchell and Co., and P-E Consulting Group, conducted the research and development in the first phase, following a £45,000 funding from the Department of Industry.

Flowing out of the initial stage has been one of the most comprehensive assessments of the current technology in text processing that is available today. This report will be made available to members of the CSA and other organisations participating in the later stages of the study. The CSA consortium team involved in the study has, in addition, developed a methodology which when blended with the technology research will provide a very powerful tool for identifying user text system requirements.

In addition, the study team's work has identified that the UK computing industry is not so far behind its overseas competitors and that providing UK manufacturers move quickly, the industry will be in a good position to take an equal initiative in many areas of text processing technology.

The project has received further partial backing and funding from the DOI to enable the next stage of the study to proceed.

This stage is a multi-client study totalling five to six elapsed months of consultancy work, valued at approximately £¼m. The 10 client organisations that have been invited to participate represent a broad cross section of industry with a wide and varying range of likely text system requirements.

A detailed startegy for office automation/text processing is being created for each client using the methodologies and research of Stage I and the pooled experience of the CSA consortium teams.

These organisations include a volume cars manufacturer, a food manufacturer, an engineering manufacturer, finance and insurace companies, a public untility and a service organisation.

The total turnover of the companies involved is in the order of several billions of pounds.

Langton Information Systems, 133 Oxford Street, London W1R 1TF. 01-439 0366.

Speeding information flow

ANSWERING equipment of a new design from Robophone will handle calls on from one to three lines, as required.

The company calls it the MLU or multi-line unit and it comes as an attachment to an answering machine, weighing just over one kilogram and measuring 180 x 160 x 60 mm. It allows users to gain maximum service from a limited number of telephone lines since it solves the problem of keeping one line permanently monopolised by an answering machine.

This can be particularly frustrating for such organisations as travel agents, tour operators and mail order houses, among others, who make extensive use of answering machines, to meet requests or record detailed information.

The machine is set to answer in the usual way without any modification. Lines are connected to the MLU which has three independent buttons, one for each active line. When one of the buttons is depressed, a call coming in on that line is automatically routed to the machine, leaving the other two clear to make or handle calls.

MLU can also be used for two-way operation in which both sides of a conversation are recorded.

Robophone, Brigstock Road, Thornton Heath, Surrey. 01-689 2144.

● EXHIBITIONS

Developing close trade links

IMPORTANT aim of 'Expansion Co-operation 1980-1990'—to be held in the Centre National des Industries et des Techniques, in Paris, June 1980—is to develop closer trade links between Western Europe, the Arab countries and member nations of the Organisation of African Unity, says organiser Bryan Cassidy, IPC Business Press (Overseas), Surrey House, Throwley Way, Sutton (01-643 8040).

The show will embrace transportation, energy, water, oil and gas, mines and quarries, the agriculture, livestock and food industries, communications, housing and communities, industrialisation, commercial and media services, installations and maintenance.

Ministers and senior government officials from African and Arab countries are being invited to the exhibition which will be specifically Western European.

No exhibitors will be invited from Eastern Europe, Japan or the US—although European branches of multi-national companies will be eligible to exhibit at what is called 'an important showcase for the raw materials and manufactured goods of the developing nations'.

LOMBARD

The economics of Mr. Healey

BY PETER RIDDELL

THE LABOUR Party is in no hurry to make itself appear a plausible alternative government. Most of the three-and-a-half months since the election has been taken up with internal arguments about organisation and the balance of power. This debate is important but there are few signs of any, equally necessary, new thinking about policy.

Inadvertent

A notable exception is Mr. Denis Healey who has been almost constantly contributing to the public discussion about the economy through speeches, *radio and television interviews* and his fortnightly column in Financial Weekly. His consistent theme has been that in spite of the setback of the winter the underlying performance of the British economy was beginning to improve under Labour. However, all the gains have been wiped out, "almost at a stroke," by the Budget and by the Tory attachment to "primitive monetarism," and the results for inflation and unemployment may be disastrous. Mr. Healey is not a man to pull his punches but there is a danger that in his natural vigour—and his desire to further his perfectly respectable political ambitions—he may inadvertently strengthen the position of those arguing for a siege economy.

Mr. Healey does, however, have a point and one which is shared by many industrialists and non-socialist commenators. He has argued that the increase in VAT to 15 per cent in order to finance a 3p cut in the basic rate of income tax was a mistake since it boosted prices sharply at a time when inflation was anyway accelerating. Moreover, since the target for the growth of sterling M3 remains broadly the same in nominal terms the underlying monetary stance has been tightened. In face of a world recession this is "viciously restrictive." But Mr. Healey has weakened his point by exaggeration and by ignoring the incidental boost to company liquidity from the rise in VAT.

Many businessmen believe that the Government may be trying to squeeze out inflation too rapidly and too harshly at a time of general recession. The London Chamber of Commerce has, for example, warned that "strict monetary orthodoxy is now in danger of turning into a straitjacket" and "given the present highly vulnerable state of the UK's industrial base, the cost of returning to a totally free market economy may not be the best way out of the UK's difficulties."

But if this concern can to some extent be discounted as the special pleading of a group which knows it faces a hard time, the warnings of the London Business School and brokers W. Greenwell are perhaps more significant. Both are sympathetic to the Government's long-term strategy of reducing inflation by reducing monetary growth. The Business School has urged a gradual path of monetary deceleration with a higher nominal level of public sector borrowing next year in order to prevent excessive contraction. The brokers have said the Government should be alert to the necessity of avoiding inadequately low monetary growth.

Mr. Healey has gone further than this and is on weaker ground in implying that Labour would, or could, have pursued a significantly different long-term strategy. A Labour Budget, as he has admitted, would have had to be tough. VAT would probably have been consolidated at 10 per cent and the specific Customs and Excise duties would have been raised—both measures boosting prices. My bet is also that Minimum Lending Rate would have risen.

Undermined

Mr. John Biffen was probably not far from the truth when he argued that it was no good Mr. Healey trying to pretend that when he vacated Great George Street the heathens moved in. "The policies are different but the differences are not of a magnitude that entitles him to say that." Indeed even on his own terms Mr. Healey may have gone too far. Thus by exaggerating important, and partly valid, criticisms about the implementation of policy, Mr. Healey may undermine support within the Labour Party for the broad economic strategy—"socialist monetarism"—which he had followed for five years as Chancellor.

THE CREDIT SUISSE FRAUD CASE

Bank scandal that left the Swiss unruffled

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

THE FOUR scandals which shook the European banking scene in the mid-1970s are still reverberating in the courts, but the rumblings differ greatly from country to country. The 1974 collapse of the Herstatt Bank in Cologne has been considered three times already by the Bundesgerichtshof, the German supreme court. The judgments, which resulted in the case being sent back to the lower courts, lacked the clarity and decisiveness one might have expected from the Karlsruhe judges and in fact raised more questions than they answered. The almost simultaneous collapse of the Sidona Banca Privata Italiana in the meantime has been receiving quite different, one could say Sicilian, treatment.

The treatment consisted of silencing those who knew too much, before they reached the *courtroom. Giorgio Ambrosoli*, the receiver, made the fatal mistake of taking his job seriously and was murdered on July 12, 1979. The Palermo police chief let it be kown that he spoke to Ambrosoli a few days before his death. So he was murdered too. Finally, the central figure, Michele Sidona, who, one must presume, knew all, disappeared in New York on August 7, three days before he was due to answer charges of having fraudulently obtained U.S.$225m through the (since collapsed) Franklin National Bank. He was on the run from Italy where he is wanted on charges of criminal bankruptcy. Though he had ample reasons of his own to go into hiding, his family and lawyers insist that he was kidnapped and the New York police now appear to be acting on the assumption that indeed he was.

Compared with the esoteric legal arguments generated by the Herstatt scandal and the rather brutal ones advanced by the maffiosi in the Sidona case, the excitement and anxiety caused by the discovery of frauds amounting to some £440m at the Chiasso branch of Credit Suisse is being played down in a truly Swiss manner. So much so that even the placid Swiss public feels that the Ticino court and jury were too lenient. They sentenced the two bank managers, Ernst Kuhrmeier and Claudio Laffranchi, to four and a half years in prison and imposed a suspended sentence of a mere 16 months on three Ticino lawyers. They are Elbio Gada, Alfredo Noseda and Alessandro Villa, members of the Chiasso law firm of Maspoli-Noseda. It was they who acted as administrators of the "parallel" or letter-box bank, the Texon Finanzanstallt, through which SwFr 1.3bn were drained between 1961 and 1977.

The two Credit Suisse managers were also fined SwFr 10,000 each, and the three lawyers accused of helping them SwFr 200,000 each. In addition all five were declared jointly responsible for damages to the tune of SwFr 20m. Should this judgment be confirmed, the Ticino lawyer Alfredo Noseda may face at least a temporary suspension from the local Bar.

But as yet nothing is certain. An appeal was lodged earlier this month with the Swiss Cassation Court. In the case of Ernst Kuhrmeier, the central figure in the scandal (and a man once believed to be a paragon of reliability and banking soundness), the appeal has been made by his heirs, as he died before the judgment came into force.

That the Swiss refused to be ruffled by the scandal is evident also from the simple fact that the local Christian Democrats have re-nominated Sr Stefani as their candidate in the impending cantonal election. He has been president of the Ticino canton since 1961. He was also a friend of Fabio Vassali, another member of the Maspoli-Noseda law office. Stefani's political opponents now seem to be ready to use this as well as his recent testimony in the Chiasso trial in an attempt to suggest that he may have had some share of responsibility for the banking disorders in the canton over which he presides.

Nevertheless, the curiously detached attitude seems to have been adopted quite widely. It is manifested by the leniency of the court, by the equanimity of many local politicians, and at a national level by the reluctance to adopt legislation which would result in closer and more efficient control of Swiss portfolio managers. This detached attitude can be at least partly explained by the special function of Ticino as one of the four major banking centres in Switzerland.

Close to the Italian frontier Chiasso serves Italian tax evaders on a grand scale. Such money is domiciled in Ticino "fiduciary" accounts and then reinvested, mostly in Italy. The investor bears the entire risk and the portfolio manager has either complete freedom or a very large measure of freedom, even if everything is transacted above board and the internal rules of the big banks are obeyed. There is practically no reporting by the manager and usually he can be certain that, whatever he does, the investor will bear the loss in silence, fearing that his protests might be heard by his country's taxmen.

There were abundant signs that Ticino was a potential banking volcano a long time before the eruptions at the Chiasso branch of Credit Suisse. (The spectacular loss made by the small Lugano branch of Lloyds Bank International was rather untypical because it was due mainly to foreign exchange speculations by a dealer who over-stepped his limits.) The seismic wave which preceded the Credit Suisse eruption however, was indicated by the failure of the Weisscredit Commercial and Investment Bank of Lugano. This brought to light the fact that Weisscredit had invested its clients' funds in an insolvent Lichtenstein company. This was to be the pattern of the Suisse Credit frauds, except for the fact that the managers of the Chiasso branch had to do a little more in order to avoid detection by its Zurich headquarters. They accepted the funds entrusted to them as for Credit Suisse, but booked them directly as received by Texon, their Lichtenstein leter-box bank, whose accounts they kept in Chiasso.

The money was then channelled from Texon to various Italian companies with which the managers and Texon administrators (the Chiasso lawyers) had links. When Texon became insolvent, the holes were plugged by deposits taken from Italian banks. Bank guarantees were issued in the name of Credit Suisse but were not reported to headquarters or even registered at Chiasso. This went on for 16 years before the Zurich headquarters discovered some irregularities which soon turned out to be much bigger than it had suspected.

The Swiss National Bank, together with the Union Bank and the Swiss Bank Corporation, offered SwFr 3bn in standby credit. It was not needed. The Credit Suisse put its secret reserves into the breach, by revaluing its assets. But it was a tense time and the Swiss franc shuddered at the foreign exchanges.

In the end there were some resignations at Credit Suisse headquarters, and it was admitted that rotation of staff may after all not be such a bad idea. It was also accepted that the number of Federal Banking Commission staff supposed to supervise the operations of some 556 banks carrying on business in Switzerland, should be increased from 10 to 29 by the end of this year. And new rules were adopted on handling of foreign funds. But on the whole the Swiss banks remain a closed book and proud of it.

Thatching is up to his task

RACING

BY DOMINIC WIGAN

BY ABOUT 3.40 this afternoon, we should know whether the connections of Solinus have had some compensation for the death of that brilliant sprinter and fine stallion prospect in Ireland on Tuesday.

The Robert Sangster syndicate and their trainer, Vincent O'Brien, a member of that consortium, saddled Solinus to land last year's William Hill Sprint Championship. This time they rely on Thatching.

It is asking a lot of a sprinter to produce his best when returning to the minimum trip in top company shortly after a race over a mile. Nevertheless, Thatching may be up to his task. No trainer in Europe is better equipped to pull off what would be a remarkable achievement than the Cashel handler.

Thatching, who came to the end of his tether in a matter of strides a furlong and a half from home in the Sussex Stakes at Goodwood, gained the first of his three victories this year over that course in the spring. Always well in command in the six-furlong Duke of York Stakes, the bay Thatch colt, a strong son of that top-class mare, Abella, passed the post with plenty in hand over the admittedly second-rate Persepolis.

If, as I believe, Thatching is none the worse for that abortive run at Goodwood—which would never have been contemplated had O'Brien not been misled over the state of the ground — the four-year-old should justify tremendous stable confidence. However, if he is not back to his best, the race seems best left to Ahonora, whose phenomenal early pace enabled him to cross to the favoured standside berth after only a few hundred yards of Goodwood's King George Sprint.

Ahonora, a much improved sprinter since joining Frankie Durr, will take advantage of any chink in Thatching's armour and is preferred to Double Form, whose stable is under the virus cloud.

Whatever their fate with Thatching, that four-year-old's connections are likely to return home with at least one winner, for London Bells (another not to last out his trip at Goodwood) is preferred to Lord Seymour for the Gimcrack Stakes.

YORK

2.00—Maysapour
2.30—Concert Hall*
3.05—London Bells***
3.35—Thatching**
4.10—Quay Line
4.40—Soldiers Point
5.10—Kampala

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra-high frequency only). 9.50 Magic Roundabout. 9.55 Jackanory. 10.10 Don and Pete. 10.15 Hong Kong Phooey. 10.35 Take Hart. 1.15 pm News. 1.30 Playboard. 4.18 Regional News for England (except London). 4.20 Play School. 4.45 Scooby Doo. 5.05 Play Away. 5.35 The Wombles.
5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Top Sailing.
6.55 Dr. Who.
7.20 Top of the Pops.
8.00 Citizen Smith.
8.30 The Persuaders.
9.00 News.
9.25 The Duke.
10.15 Person To Person.
10.55 Goldie, starring Goldie Hawn.
11.45 Weather/Regional News.

All Regions as BBC-1 except at the following times:—

Scotland—5.55-6.20 pm Reporting Scotland. 11.45 News and Weather for Scotland.

Wales—5.55-6.20 pm Wales Today. 6.55 Newyddion. 7.05-7.20 Barney Bear. 11.45 pm News and Weather for Wales.

Northern Ireland—4.18-4.20 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 8.30-9.00 Lifetimes. 10.55 The Persuaders. 11.25 Golf: The Carrolls Irish Open. 11.55 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth).

BBC 2

6.40-7.55 am Open University
11.00 Play School (as BBC-1 4.20 pm).
4.50 Open University.
6.55 Classic Curling.
7.25 Mid-evening News.
7.35 Landscapes of England.
8.00 Empire Road.
8.30 The Paper Chase.
9.15 "The Good, The Bad And The Ugly," starring Clint Eastwood.
11.45 Late News.
12.00 Closedown reading.

BBC-2 Northern Ireland only—11.30 am-1.30 pm and 4.00-4.50 Golf: Carrolls Irish Open Championship.

LONDON

9.30 am Home Nursing. 10.00 Paint Along With Nancy. 10.30 A Big Country. 10.55 Little House on the Prairie. 11.45 Mystery Island. 12.00 Animal Kwackers. 12.10 pm Rainbow. 12.30 Emmerdale Farm. 1.00 News plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon Plus At Home. 2.25 Racing from York. 3.50 Quick on the Draw. 4.20 Project UFO. 5.15 The Squirrels.
5.45 News.
6.00 Thames News.
6.05 Star Gardens
6.35 Crossroads.
7.00 Sapphire and Steel.
7.30 This England.
8.00 Benny Hill Down Under.
9.00 Jack on the Box.
9.30 Shelley.
10.00 News.
10.30 Flight Line.
11.15 Quincy.
12.10 What the Papers Say.
12.25 Close: Gai Eaton with readings from the Islamic tradition.

All IBA Regions as London except at the following times:—

ANGLIA

10.35 am Spiderman. 11.00 Chopper-squad. 11.50 Cartoon Time. 1.25 pm Anglia News. 2.00 Houseparty. 4.20 The Beachcombers. 4.50 The Next Week Show. 5.15 Makin' It. 6.00 About Anglia. 6.20 Arena. 7.30 Life Begins at 40. 8.00 The Incredible Hulk. 11.15 S.W.A.T. 12.15 am Chapter and Verse.

ATV

10.30 am Spiderman. 10.50 Gardening Today. 11.15 Lucan. 1.20 pm ATV Newsdesk. 4.20 The Jetsons. 4.50 Project U.F.O. 6.00 ATV Today. 7.30 Life Begins at 40. 8.00 Charlie's Angels. 11.15 Englebert Humperdinck in Concert.

BORDER

10.35 am Who's Afraid of Opera 11.00 Cartoon. 11.05 Logan's Run. 1.20 pm Border News. 2.00 Houseparty. 4.20 The Life and Times of Grizzly Adams. 5.15 Makin' It. 6.00 Lookaround Thursday. 7.30 Life Begins at 40. 8.00 Hawaii Five-O. 11.15 Fireside Theatre. 12.15 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News and What's On Where. 4.20 Story Hour. 5.15 The Squirrels. 6.00 Channel News. 6.10 Call It Macaroni. 7.30 Feature Film: "The Doberman Gang." 9.00 The Roger Whittaker Show. 10.28 Channel Late News. 11.15 Twist in the Tale. 12.10 am News and Weather in French.

IBA programmes are included in the advent of a settlement of the industrial dispute

GRAMPIAN

9.30 am First Thing. 10.30 Magical Mountain Java. 11.25 The Lost Islands. 11.50 Cartoon Time. 1.20 pm Grampian News Headlines. 4.20 Little House on the Prairie. 5.15 Bailey's Bird. 5.40 Police Newsroom. 6.00 Grampian Today. 6.10 Top Club. 8.00 The Incredible Hulk. 11.15 The Masterbuilders. 11.45 Reflections. 11.50 Grampian Late Night Headlines.

GRANADA

10.30 am Sesame Street. 11.25 The Lost Islands. 11.50 Cartoon. 1.20 pm Dick Tracy. 4.20 Story Hour. 5.10 Felix the Cat. 5.15 Crossroads. 6.00 Granada News. 6.05 Time Off. 6.30 What's On Next? 7.30 Life Begins at 40. 8.00 Fantasy Island. 11.15 What the Papers Say. 11.35 Dan August.

HTV

10.33 am The Lost Islands. 11.00 Dodo the Space Kid. 11.05 Animated Classics. 11.50 Dick Tracy. 1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 4.20 Spiderman. 4.45 Bailey's Bird. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Cabbages and Kings. 7.30 High and Wild. 8.00 Chips. 11.15 The Company Men.

SCOTTISH

10.30 am Friends of Man. 10.55 Cartoon Time. 11.10 The Life and Times of Grizzly Adams. 1.25 pm News. 4.20 Logan's Run. 5.15 Popeye. 5.20 Crossroads. 6.00 Scotland Today—Summer Extra. 6.30 The Beverly Hillbillies. 7.30 You're Only Young Twice. 8.00 Streets of San Francisco. 11.15 Late Call. 11.20 Barney Miller.

SOUTHERN

10.30 am Lost Islands. 10.55 Little House On The Prairie. 11.45 Helas and Bachelor Cartoon. 1.20 pm Southern News. 2.00 Houseparty. 4.20 Tarzan. 5.15 Melotoons. 5.20 Crossroads. 6.00 Day By Day. 6.30 Cabbages and Kings. 7.30 Life Begins At 40. 8.00 The Incredible Hulk. 11.15 Southern News Extra. 11.25 Police Surgeon. 11.55 What The Papers Say.

TYNE TEES

9.25 am The Good Word followed by North East News Headlines. 10.30 Morning Movie—"Tarzan and the Lost Safari," starring Gordon Scott. 1.20 pm North East News and Lookaround. 4.20 Beachcombers. 4.45 The Life And Times Of Grizzly Adams. 6.00 Northern Life. 7.30 Life Begins At 40. 8.00 The Streets Of San Francisco. 11.15 The New Avengers. 12.15 am Epilogue.

ULSTER

10.35 am Thursday Morning Movie: "No Highway In The Sky." 1.20 pm Lunchtime. 4.18 Ulster News Headlines. 4.20 Dynomutt The Dog Wonder. 4.50 Bailey's Bird. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Ulster Television News. 6.20 Police Six. 6.30 You're Only Young Twice. 7.30 Life Begins At 40. 8.00 Westside Medical. 11.15 Pro-celebrity Darts. 11.45 Bedtime.

WESTWARD

†10.35 am Feature Film: "Happy Is The Bride." 12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.15 The Squirrels. 6.00 Westward Diary. 7.30 Is This Tomorrow? 10.28 Westward Late News. 11.15 Twist In The Tale. 12.10 am Faith For Life. 12.15 West Country Weather and Shipping Forecast.

YORKSHIRE

10.30 am Wheelie And The Chopper Bunch. 10.45 Sealab 2020. 11.10 The Nature Of Things. 1.20 pm Calendar News. 4.20 Rocket Robin Hood. 4.45 The Life And Times Of Grizzly Adams. 6.00 Calendar (Emley Moor and Belmont edition). 7.30 Father, Dear Father. 8.00 Hawaii Five-O. 11.15 Fantasy Island.

Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	3	1215kHz/247m & 90-92.5vhf stereo
2	693kHz/433m 909kHz/330m & 88-91vhf stereo	4	200kHz/1500m & 92-95vhf

BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 6.00 Andy Peebles. 9.00 Simon Bates. 11.00 Radio 1 Roadshow. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.00 Tony Blackburn. 4.31 Kid Jensen. 7.00 Summer Soul. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Derek Hobson (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.15 David Hamilton (S) including Racing from York. 4.15 Much More Music (S). 5.05 Waggoners' Walk. 5.20 Don Durbridge (S). 6.45 Sports Desk. 7.02 Country Club (S). 9.02 Folkweave (S). 9.55 Sports Desk. 10.02 The New Improved Show with Ten Legs. 10.30 Star Sound Extra. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

‡6.55 am Weather. 7.00 News. 7.05 Overture Concert, part 1 (S). 8.05 Concert, part 2. 9.00 News. 9.05 This Week's Composer: Handel (S). 10.00 Delme String Quartet (S). 10.45 Purcell and the English Tradition (S). 11.40 A Shakespeare Concert, part 1 (S). 1.00 pm News. 1.05 A Shakespeare Concert, part 2 (S). 1.45 Piano Recital (S). 2.35 Ariel Wind Quartet (S). 3.00 Double Bill (S): "The Long Christmas Dinner," opera in one act by Hindemith. 3.55 Interval Reading. 4.00 "Son and Stranger," Liederspiel in one act by Mendelssohn. 5.25 Homeward Bound (S). ‡5.45 News. ‡5.50 Homeward Bound. ‡6.15 At Home. 7.10 Pied Piper (S). 7.30 Proms 79, part 1: Shostakovich (S). 8.20 Customs and Excise (sketch by John Stevenson). 8.40 Proms 79, part 2: Rachmaninov (S). 9.35 Letter from Israel by Chaim Herzog. 10.00 Music in Our Time (S). 11.00 Bach Cantatas (S). 11.55-12.00 News.

VHF Only—6.00-7.00 am and 5.45-7.10 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News headlines. 7.45 Thought for the Day. 8.45 Theatre Street. 9.00 News. 9.05 Mid-Week With Desmond Wilcox. 10.00 News. 10.05 Flight Deck Fantasy in an aircraft training simulator. 10.30 Daily Service. 10.45 Morning Story. 11.00 When Men And Mountains Meet (S). 11.45 Listen With Mother . . . goes to the seaside! 12.00 News. 12.02 pm You And Yours. 12.27 Quote . . . Unquote (S). 12.55 Weather, programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Women's Hour from Gatwick. 3.00 News. 3.05 Preview of Radio 4 UK. 3.10 On Location. 3.35 Afternoon Theatre (S). 4.35 Story Time. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News. 6.30 Brain Of Britain 1979 (S). 7.00 News. 7.05 The Archers. 7.20 Time For Verse. 7.30 Four Great Chandler Stories (S) 8.00 Perspective: Sir Robert Mark in conversation. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Let's Talk About Me. 10.55 Best Of Fritz. 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 Unforgettables. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.03 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 7.00 Black Londoners. 8.00 Soul 79. 10.00-5.00 am As Radio 2.

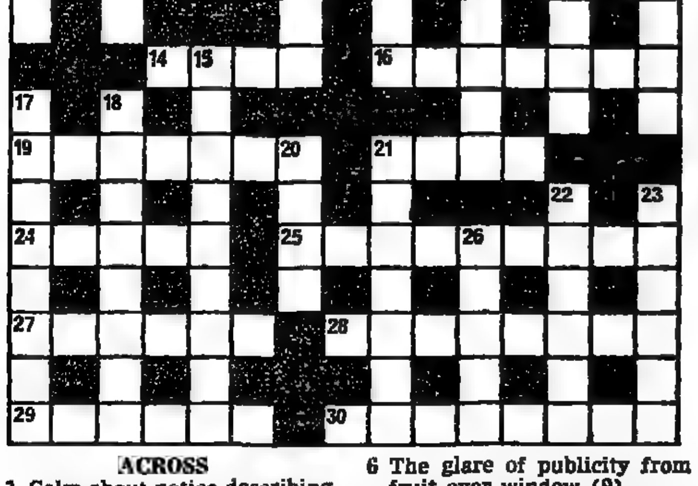
London Broadcasting

5.00 am Morning Music. 6.00 The AM Show with John Parkins and Steve Wood. 10.00 Open Line. 1.00-8.00 pm LBC Reports with George Gale at 3.00. 8.00 After Eight. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 4.00 The London Interview.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Mike Smith (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 Lord George-Brown's Capital Commentary (S). 7.10 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Alan Freeman (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,055



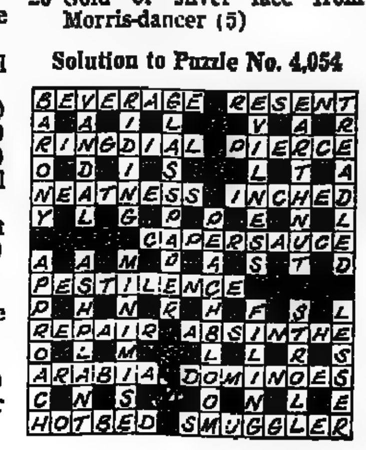
ACROSS

1 Calm about notice describing musical performance (8)
5 Small learner coming into view (6)
9 Taking a photograph without artistic standing (8)
10 Preserve them briefly with fragrant ointment (6)
12 Artistic control required to train with remainder outside (9)
13 Swarming with bad slang (5)
14 Detect something outside the ordinary sense at the beginning of the year (4)
16 Designed a target for boat race-meeting (7)
19 Agreement to trick with rope (7)
21 To snub Oriental could be smart (4)
24 Rouse oneself for a festival (5)
25 Drink beer with adherent (9)
27 Riddle confused in game (6)
28 Infuriated and attacking (8)
29 Butt? It could be a tail (3-3)
30 Lash guide-leader in fun. It should be illuminating (5-3)

DOWN

1 Drink and make a mistake in throw (6)
2 Soldiers ended a meal (6)
3 Severe blow upset Senor (5)
4 Deny having to sit inside for stupidity (7)
6 The glare of publicity from fruit over window (9)
7 Divide into regular intervals for student (8)
8 Where soldiers drink with supplier of leverage? (5-3)
11 A canine one may guide the sailor (4)
15 Mouthpiece may be a wheelwright (9)
17 Lean person to finish bony joint (5-3)
18 Entering into contest could be attractive (8)
20 Public prosecutor calls for silence. Curse it! (4)
21 Stock that's excellent (7)
22 Drove of horses to tie up (6)
23 Source, or one drink (6)
26 Gold or silver lace from Morris-dancer (5)

Solution to Puzzle No. 4,054



هكذا من الأصل

THE ARTS

EDINBURGH FESTIVAL

The Tent

Punch and the Street Party

by CLEMENT CRISP

The Sadler's Wells Royal Ballet is installed in its tent in a field somewhere behind the castle for the first week of the Edinburgh Festival, but apart from remarking o nthe bitter chill that cut through the canvas on Tuesday night I refrain from much comment on this odious setting for dance.

That the stage lighting seems rudimentary—a dead, flat glare for the opening *Les Sylphides* and that there were awkward act-drop changes in the succeeding *Prodigal Son*, we must accept; as, too, the fact that the stage is spacious, and grateful to dance on. The acoustics were adequate, and yet again I salute the conductor, Barry Wordsworth, this time for establishing such rapport with musicians strung out across the front of the stage like toothpaste squeezed from a tube. Wordsworth and his musicians are among the heroes of this first, Diaghilev-tribute programme. *Sylphides* was played by the orchestra, and shaped by Wordsworth, with inspiring sensitivity that captured the nuances of Chopin's piano writing. Tempi were less brisk than when the ballet recently returned to the repertory, and I admired especially the gentle ease in building phrases which informed the music and the dancing of Marion Tait, exquisitely mistress of the mazurka and, with Desmond Kelly, of the nocturne duet.

No less praiseworthy the vivid account of Prokofiev's score which communicated itself to the dancers in *Prodigal Son*, with Alain Dubreuil as the errant youth and Judith Rowann as the Siren. The forward-projecting nature of the stage enhances the expressionistic power of Balanchine's language; gesture looks sharp, its stylisation directly communicative. Dubreuil grew in stature as the ballet progressed, his shamed return to his father acquiring a dark-toned grief that was most impressive. Rowann has the right allure for her role, though not yet quite all its Babylonian mystery: the servants, the scuttling bald revellers, were clearly and well defined.

The novelty of the programme was David Bintley's newest ballet, *Punch and the Street Party*. It makes use of Lord Berners' joyful, witty *Triumph of Neptune* music — the only English ballet that Diaghilev presented, with scenario by Sacheverell Sitwell, and decor inspired by the "penny plain, tuppence coloured" sheets of the Victorian Juvenile Theatre. Balanchine's choreography survived for two seasons only (1926-27), but the ballet is remembered for a grand cast which included Lifar, Danilova, Tchernicheva, Sokolova, and Markova and Savina as two flying fairies, and for Balanchine's own dazzling solo as the negro Snowball. The fantasy of the original scenario had roots in the English pantomime tradition, and it is a flaw in David Bintley's staging that his new libretto lacks any such firmness of foundation. The piece is a frenetic romp. A Victorian street (Berners Street, no less) is holding a party to celebrate her late Majesty's Diamond Jubilee; the Crown Jewels are stolen; Punch and Judy squabble and are reconciled. To sustain this unimpressive scheme, Bintley has opted for unrelenting vivacity as an alternative to characterisation or dramatic development. Every personage either scampers or gets drunk or brawls or falls about. Shades of Massine's *Bal des Voleurs* of unblessed memory, or of Cranko at his most automatic.

Marion Tait and David Morse

There are good things in the ballet, not least David Morse's incarnation of Punch, which is danced with wonderful muscular verve and which hits a note of fine, vicious comedy in a solo with the luckless baby. But for all its superficial activity, *Punch* makes too many obvious jokes at the expense of any development. It looks, as Bintley's two earlier ballets do not, undisciplined, self-indulgent. I hope I do not seem too harsh: Bintley is talented, and his talent has already taught us to expect fresh, bright ideas. In this new piece—which does not always sit well on the score—the jokey trees have obscured Bintley's view of the comic wood. Design is by Mike Beckett, who has not given Bintley what Osbert Lancaster gave Cranko in *Pineapple Poll* (the model for this kind of ballet), a setting in which the dances can sparkle and seem at home.

Assembly Hall

Troilus and Cressida

by B. A. YOUNG

Troilus and Cressida is an awkward piece. The tale of Troilus and his faithless mistress makes less than half the play, the rest being taken up with the rivalry of Hector and Achilles in the battles for Troy. The two scenes are hardly welded at all—we seem to be watching two plays at once. It is moreover Shakespeare's most pitilessly garrulous script, where every scene seems to have been prolonged beyond its natural measure. At Agamemnon's staff conference in Act One it takes Ulysses some 80 lines to say that the discipline in the camp is slack, and another 60 to lay the blame on Achilles.

Richard Cottrell, in his production for the Bristol Old Vic, has gone for simplicity and clarity in order to keep the narrative plain and coherent. He is no stranger to the Assembly Hall, and John McMurray's set recalls the memorable *Richard II* of 1969—a plain raked stage with an inner stage at the summit. On this the scenes are set by Shakespeare with no further help required from the designer.

Careful casting in this young and handsome company has ensured that the narrative is indeed kept clear and straightforward. Jonathan Kent as Troilus is physically the smallest of the Tropan heroes. He is the one whose interest is not focused solely on the fighting. He gives a romantic performance that sets him apart from his fellow-soldiers yet does not argue with his basically soldierly pattern. He is supported by an excellent Pandarus from John Warner who is never tempted to exaggerate that epicene camp follower's well-meant failings.

As Cressida, Meg Davies is never the innocent often suggested by her first scene, watching the heroes go by. She is a thoroughly sophisticated young woman, so skilfully does she hold up her own end when Pandarus tells his joke about Troilus's single white hair that she makes herself seem the funnier of the two. This doesn't mean that her affections, transitory as they may be, are any less genuine. When she came on, bawling through her tears and throwing her clothes about when she should have been packing to set off for the Greek camp, she almost had me in tears myself.

Meg Davies, John Warner and Jonathan Kent

The difficulty on that bare stage, though, is to suggest any real degree of intimacy. When the soldiers are talking all goes well, but love-scenes even between Achilles (Robert O'Mahoney who also speaks the prologue in a suitably orgulous vein) and Patroclus (Michael Derrington) are less convincing. The chill of the terrible revelation when Troilus, concealed in the Greek camp, sees Cressida offering herself to Diomedes is moderated when all the parties concerned seem equally prominent. The death of Hector (William Hoyland) under the spears of Achilles' Myrmidons, on the other hand, which is a prolonged and cruel affair, is the kind of event that suits such a production well.

The acting of the whole company is good. Peter Postlethwaite's Ulysses, that "talkative bald-headed seaman," is never more tedious than presumably Shakespeare meant him to be. At the other end of the social scale, Thersites (Ian MacKenzie) fires off his discourtesies effectively. I was pleased by the gradual emergence of Diomedes (Jock Klaff). He begins as an undistinguished Greek commander, one of the bunch, and acquires more and more individuality as his function in the play develops.

The soldiers on both sides, have a genuinely military quality about them. Both Agamemnon (Andrew Hilton) and Priam (James Cairncross in a golden mask) stand out as great men. As for the women—Andromache, Cassandra, even Helen—there is, alas, little joy for them. The reputation of the fair sex is left unreliably in the hands of Cressida.

Elizabeth Hall

Milhaud and Poulenc

The French dressing—a pungent one—on Monday's South Bank Summer Music concert was made from chamber works by Poulenc and Milhaud Poulenc is now a firmly established favourite with London audiences. Milhaud, the bigger man, if half-forgotten. Why? Poulenc is a comparatively compact and consistent composer. The flavour of his music, to English ears, is recognisably "French," which really means Parisian. He has had the fortune to find some able and active champions, like the pianist Graham Johnson. Many leading singers have discovered the pleasures of his songs.

Milhaud on the other hand was prolific and versatile to a confusing degree. Most people who don't know his music (and a few who do) have little or no idea where to begin. Although he spent many years in Paris, loved the city and wrote some "Parisian" music, he came from further south, from a different culture, from ancient Provencal-Jewish stock. The serious strain in him was wider (not necessarily deeper) and more varied than in Poulenc—more the world of Claudel than of Cocteau. His pastoral music is streaked with deep melancholy. He had another side, a fluent academicism of a free-and-easy kind, with a tap of polytonal counterpoint that could be turned on at will.

The Viola Sonata No. 2, played in this concert by Michael Tree and Tamas Vasary, is not perhaps the work to turn the tide in Milhaud's favour, but it is typical of what one might call his middle reaches, with a pastoral first movement and a busy finale showing him as a French cousin of Hindemith. The surprise comes in the second movement, a kind of spectral elegy full of resigned disquiet—the Sonata was written in exile in America during the war. The Sonata made an excellent bridge between the Poulenc Trio for oboe, bassoon and piano (which carries its years well when played expressively as it was by Neil Black, Graham Sheen and Mr. Vasary) and the main business of the evening.

This was Mozart's so-called Divertimento in E flat for string trio, K563, one of the summits of the chamber-music repertory. Mr. Tree was here joined by Pinchas Zukerman and Yo Yo Ma. If there is any purer, more basic yet almost infinitely exploitable medium than the string quartet, it is the string trio, where the single violin is pitted directly against viola and cello without the buffer of a second player.

Contrast of timbre is that much sharper, texture that much clearer. Only the greatest composers can do much with the combination. In performance it seems to throw an even greater load than a quartet on to the leader. There were moments in the first movement on Monday when Mr. Zukerman sounded a little tired (he is stretching himself hard this season) but apart from one or two rather penumbral scales, the reading was eminently worthy of the marvellous music.

RONALD CRICHTON

Albert Hall/Radio 3

Billy Budd

by ANDREW CLEMENTS

The most claustrophobic of Britten's operas, *Billy Budd*, perhaps loses less than most in concert performance. The action never strays from the decks and quarters of HMS Indomitable, and the sound-world Britten creates with his biggest opera orchestra is memorably defined, always drawing the listener into the drama. Yet without theatrical trappings, the all-male cast and seamless construction of each act make changes of scene and characterisation difficult to register immediately, and there were certainly moments in the Welsh National Opera's proms performance on Tuesday evening that lost a little impact as a result. But a moving occasion it proved, strongly sung and vividly played by the WNO company conducted by Richard Armstrong.

Billy Budd remains, however, a work in which the infelicities of the libretto sometimes obscure its force. Confronted in a concert performance with greater emphasis than usual on the words, the awkwardness of the rose grates: the singers then find their tasks that much more difficult. Thomas Allen's portrayal of the central character was well received in the Covent Garden revival earlier this year, but here seemed slow to crystalise, lacking an edge of freshness and openness in his farewell to his old ship, but finding more dramatic force as Act II developed through the accusation, murder and court-martial, at its most eloquent in Billy's farewell to Dansker before his execution. Forbes Robinson's Claggart was less consistent, almost throwing away the cumulative force of his big Act I aria: "O beauty, O handsomeness," but elsewhere finding the appropriate dark tones to suggest a character whose badness is much more clear-cut in the opera than it ever is in Melvilles original story.

Nigel Douglas's Captain Vere was less the pivotal character than he can sometimes appear, suggesting well Vere's prevarication and indecision, less impressive in his moments of intellectual force and dominance. For the rest, it was a thoroughly effective company performance (though Arthur Davies's Novice was so movingly sung as to stand apart), especially notable for its beautifully voiced chorus work, so important in the shanties which colour so much of the score and give it its haunting distinctive flavour.

Record Review

Donizetti and Mozart

by ELIZABETH FORBES

Donizetti Gabriella di Vergy. Andrew, Davies, Arthur, du Plessis, Tomlinson/Harrhy. Jones/Geoffrey Mitchell Choir. RPO/Francis. Opera Rara OR 3 (3 discs). £10.99.

Mozart Le nozze di Figaro. Cotrubas, Tomowa-Sintow, von Stade, Berbié, Zednik, van Dam, Krause, Kelemen, Bastin/Chorus of Vienna SO, Vienna PO/Karajan. Decca. D132D 4 (4 discs). £21.00.

Verdi Un ballo in maschera: Callas, Ratti, Barbieri, Di Stefano, Gobbi, Maionica, Zaccaria/Orchestra and Chorus of La Scala/Votto. EMI RLS 736 (3 discs). £11.95.

The first two of the sets listed above represent the stylistic extremes in operatic recording: on the one hand, an unknown work adequately performed by a team of respectable singers; on the other a familiar masterpiece sung by super-stars, not all of whom are suitably cast.

Gabriella di Vergy has one of the most complicated histories (fully investigated in the booklet accompanying the Opera Rara recording) of all Donizetti operas. Originally composed in 1826, to a text by A. L. Tottola already set by Michele Carafa, it was never performed in the composer's lifetime, though Donizetti used several numbers from the score in later operas, among them *Anna Bolena*. In 1869, more than twenty years after his death, a version of *Gabriella* finally reached the stage at the San Carlos, Naples. It bore little resemblance to the original, either in text or music; only seven pieces from the 1826 score remained; others were borrowed from unpublished cantatas (*Il Fausto ritorno* and *Cristoforo Colomba*) or the no longer popular opera *Pia de' Tolomei*; several more were unidentifiable.

They remained unidentified until recently, when Patric Schmid and Don White, directors of Opera Rara, investigated a manuscript of *Gabriella di Vergy* in the Sterling Library at the University of London. This turned out to be, neither a copy of the 1826 original, nor of the 1869 revision, but another version altogether, prepared by Donizetti in 1838 for a production in Naples that in the end never took place. He had thriftily re-used material from *Ugo, Conte di Parigi, Maria di Rudenz* and *Rosmonda d'Inghiltera*, operas not previously heard in Naples, while the considerable amount of new music that he had composed was not allowed to go to waste: much of it went into *Adelia* (1841) and other portions accounted for the unexplained bits of the 1869 *Gabriella*.

Opera Rara gave the first—concert—performance of the newly-discovered *Gabriella* in Belfast during November, 1978, when the cast was substantially the same as on the recording, made the previous August. Gabriella (soprano), under the impression, like many another Donizetti heroine, that her true love is dead, has been married against her will to Fayel, Count of Vergy (baritone). But her lover, Raoul de Coucy (tenor), is not dead, and after he and Gabriella have been found by Fayel in an apparently compromising situation, the two men fight a duel; Fayel kills his rival and presents Raoul's heart in an urn to Gabriella. She—unlike many another Donizetti heroine—keeps her sanity, but after calling down the wrath of God on her husband's head, she does expire in true operatic fashion.

Despite its piecemeal provenance the score of *Gabriella* has considerable dramatic force; in particular the series of confrontations between the main characters are much more than conventional duets, while Gabriella's aria finale, which begins with a fine and touching cavatina, becomes in the deliberate but vigorous cabaletta a brave if ultimately useless defiance of Fayel's cruelty and tyranny. Milla Andrew, in excellent form throughout the recording, here phrases Gabriella's music with striking breadth and grandeur. Christian du Plessis injects life into Fayel, a character who could easily degenerate into a cardboard villain. As Raoul, Maurice Arthur has some difficulties with music intended for the trumpet-voiced Adolphe Nourrit, but copes with them valiantly. John Tomlinson (King of France) and Joan Davies (Almeide) make the most of minor roles.

Alun Francis, conducting the TEPO, stresses the dramatic expressiveness of the score, but not at the expense of its more lyrical moments. As an interesting demonstration of Donizetti's developing style, the sixth side of the three-disc set contains some numbers from the original, 1826, *Gabriella*: a florid aria for Raoul, in this version a mezzo-soprano, sung by Della Jones with admirable panache and control; a duet for Gabriella and Raoul quite different from the analogous scene in the later version; and Gabriella's aria finale, much gentler and more resigned in feeling than the 1838 piece, here beautifully spun out by Eiddwen Harrhy.

Decca's new *Figaro*, conducted by Herbert von Karajan, has many virtues, not least the playing of the Vienna Philharmonic; then there's the totally enchanting Susanna of Ileana Cotrubas and the Cherubino of Frederica von Stade, Mozart's—and Beaumarchais'—lovelorn adolescent incarnate Anna Tomowa-Sintov, a dignified though far from pompous Countess, gives much pleasure, while Jane Berbié, an unusually youthful-sounding Marcellina, sings her aria with spirit. The male half of the all-star cast is less happily chosen: José van Dam, though he successfully lightens his voice in the recitatives, makes a dull Figaro by comparison with his mercurial Susanna; Tom Krause's Count sounds too mature and is inclined to bluster; Jules Bastin, on the other hand, offers a very mild-mannered Bartolo, while Heinz Zednik's Basilio (he also gets his aria) lacks humour.

The oddest casting is that of the late Zoltan Kelemen, Covent Garden's ferocious Alberich, as Antonio; each time he opens his mouth, the size of the voice and the strength of the personality that emerge tear the dramatic fabric apart. This Figaro, then, is not remarkable for unity of Mozartean style—appoggiaturas are added, as it were, empirically — while Karajan's reading, free from eccentric tempos and comfortably paced for the singers, is curiously negative. But for the sakes of the Susanna and Cherubino alone—never can their breathless little duet "Aprite, presto aprite" have sounded more delicious—the set is worthy of attention.

The old Columbia Ballo, recorded at La Scala during September 1956 and first issued in this country in October 1957, deserves a warm welcome on its re-appearance. Though the sound-quality is no more than adequate and the conductor, Antonino Votto, proves correct rather than inspired in his direction of Verdi's score, the set is magnificently cast. Callas, who sang only five performances of Amelia on stage—and *after* the recording was made—is in fine voice and phrases her arias with unsurpassable intensity. Gobbi makes a splendid Renato, while Barbieri looses off the heavy artillery as Ulrica and Ratti offers a sparkling Oscar: But the glory of the performance is Di Stefano's elegant, irresistibly high-spirited Riccardo: just listen to "E scherzo od è follia. . ."

ISCM Music Days 1980

The next Music Days will be held in Israel from June 29 to July 5, 1980. A British reading panel will select works for submission to the international jury

The Israeli Section has advised that each national section may submit up to six works. Independent entries may also be submitted by individual composers, and music publishers and radio stations may send works if accompanied by a written request from the composer. Only one work by each composer may be submitted. Preference will be given to works composed within the last 10 years and the composer's curriculum vitae should accompany any score. Priority will be given to works sent by the national sections.

Independent submissions should be sent by October 1 to: World Music Days, c/o Jerusalem Symphony Orchestra, Israeli Broadcasting Authority, P.O. Box 1082, Jerusalem Israel.

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Control of the colleges

THE CALL for a cut in the numbers to be admitted to British Universities contrasts strangely with an advertising campaign which a number of polytechnics have been mounting to try to attract *more* students to degree level courses.

The proposal for a 6 per cent cut in university admissions in 1980 was made in a letter from the University Grants Committee, whereas the advertising campaign by polytechnics relates to the current year's entry. Nevertheless the anomaly does raise the question whether the division of British higher education into two entirely different sectors is sensible any more.

Paradox

If, for example, universities succeed in cutting their entry by 6 per cent in 1980, it is more than likely that most of the students who failed to obtain university places would be absorbed into the polytechnics. The reason is that the Government can exercise very little direct control over the so-called public-sector colleges which are run by local authorities. By a strange paradox, the Government, through the UGC, now has more control over the supposedly independent universities.

It is clear that a financial squeeze of between 6 per cent and 7 per cent is likely to be applied to the local authority colleges as well as to the universities. But whereas the UGC can make specific recommendations on student numbers and can to some extent enforce its views through the distribution of the recurrent grants, no such central mechanism applies to the polytechnics.

The Government can reduce the element of the rate support grant which applies to higher education and any such cuts are likely to be passed on in a general way by local authorities. However, most of the expenditure on polytechnics is channelled through a central pool.

Diluted system

This further blurs the lines of responsibility, since local authorities are not required to pay directly for most of the decisions which they take in respect of the higher education institutions in their area.

A result of this diluted system of control is that in practice polytechnics enjoy a high degree of autonomy. Consequently it is unlikely that in 1980 any cuts which are necessary will fall on their jealously guarded degree courses. Past experience shows that lower level courses and adult education will be more likely to feel the pinch.

The short term result of a Government squeeze is likely to be that some 5 to 6 per cent of aspiring university students will be forced as a second choice to take places in polytechnics. The real saving to the exchequer is likely to be meagre, because university and polytechnic lecturers cannot in practice be declared redundant, even if their courses are half empty. Scope for economy in buildings and services is similarly limited.

There are those in the Government who would like to take a tough line and encourage the closure of the least popular courses. However, leaving aside the fact that the Government has no general power to close courses, it is an embarrassing fact that the least popular courses are by no means always the least valuable.

A strong case can be made that if cuts are needed they should be planned across the whole of higher education and be informed by a general view of national needs.

Bureaucracy

Although the attractions of more central controls over the diverse institutions of higher education have repeatedly been canvassed, proposals have so far been rejected on the grounds that an insensitive and unwieldy bureaucracy would be created. In 1972 the Education and Arts Sub Committee of the Parliamentary Expenditure Committee argued for a Higher Education Grants Committee to oversee universities as well as local authority institutions. This would have had to control some 550 institutions which is probably too many. It was also argued that polytechnics should provide a different style of education with more vocational bias compared with that in universities.

It was thought that polytechnics would tend to imitate universities for reasons of status if they were all administered by the same body.

A compromise, which now needs to be carefully considered, would be to preserve the UGC and to set up a parallel Grants Committee to administer the public sector institutions. Over the years the central control of the UGC and the autonomy of the universities have created a successful if sometimes strained balance. A similar structure should now be worked out for the polytechnics and other degree level institutions.

A London trip for Mr. Smith

THE RUN-UP to next month's constitutional conference on Rhodesia has, inevitably, proved far less smooth than suggested by the euphoria which greeted the new initiative at the recent Commonwealth meeting in Lusaka. Among the more positive developments have been the acceptance of the idea of the London conference by Bishop Muzorewa's Government in Salisbury, after initial hostility, and the more forthcoming noises issuing from South Africa.

New raid

On the negative side, the two Patriotic Front leaders, Mr. Robert Mugabe and Mr. Joseph Nkomo, have continued to make demands that go way beyond anything agreed in Lusaka. Mr. Mugabe has called for the dissolution of the Zimbabwe-Rhodesia armed forces, and their replacement by his guerrilla army. Mr. Nkomo has disputed the Commonwealths' conclusion that Britain has sole constitutional responsibility for a settlement. Now, the Salisbury regime has further muddied the waters by yesterday's decision to include Mr. Ian Smith in its delegation to the London talks, a decision that was almost simultaneously accompanied by the announcement of a new Rhodesian raid into Zambia, the first since the temporary "ceasefire" during the Commonwealth Conference.

Britain is maintaining that it does not mind about the inclusion of Mr. Smith. The Salisbury Government's delegation is officially accepted in London as being representative of the régime. Mr. Smith will be granted immunity from prosecution for treason when he sets foot on British soil for the first time since his Unilateral Declaration of Independence in 1965. But his presence will not make things any easier. In the first place, it will be widely interpreted as confirming African suspicions that Mr. Smith still really runs the country with the Bishop as a puppet. In the second, his appearance at the conference table is bound to be interpreted by the Patriotic Front as a further, unnecessary provocation.

It is true that Mr. Smith's involvement in a final settlement is probably essential if the majority of the Whites are to be persuaded to accept it and stay in the country. This, however, could equally well be achieved by an endorsement from Mr. Smith in Salisbury of any agreement that emerged from London in his absence. That said, it is clear that Mr. Smith's presence is by no means the greatest problem facing the conference. The recent pronouncements by the Patriotic Front leaders have once again underlined that transitional arrangements in advance of new elections, particularly those governing law and order, are one of the biggest stumbling blocks. Perhaps even more important, there is as yet no real evidence that the Patriotic Front leaders are actually prepared in practice to submit themselves to the verdict of the ballot box.

The Patriotic Front leaders have had to be prodded to the conference table by the leaders of the five Front Line states. Bishop Muzorewa, on the other hand, now seems to realise that the conference could well be in his interest, whether it succeeds or fails. If it leads to new elections, which he would stand a good chance of winning, followed by international recognition, he would have achieved all his objectives.

Sanctions

In the event of failure, which at present looks depressingly likely, the British Government will want to be able to argue that the Patriotic Front has been given its chance and rejected it. The Muzorewa regime could then be "legalised" and sanctions lifted with a clearer conscience. The key factor would be the reaction of the Front Line States. If they were to dissociate themselves from the British analysis, and they could well be tempted to do so, the war would go on. That point has not yet been reached. There is still some optimism in London that a settlement can be agreed. But the leaders of the Front Line States, who will not be formally attending the conference, will have to be brought along as well as Mr. Smith's whites.

The U.S. and the Middle East

A tale of confusion and complacency

BY ANTHONY McDERMOTT and DAVID BUCHAN in Washington

Andrew Young: condemning official policy. Yassir Arafat: PLO has grown in influence.

AS THE UN Security Council meets today in New York, all but the most dedicated optimists believe that the Middle East policy of the United States is in an unprecedented state of confusion.

A negative outcome to this latest UN exercise is held to be a foregone conclusion, either as a result of a postponed or adjourned debate or a U.S. veto. This would be exercised against a likely resolution aimed at providing a political link between UN Security Council resolution 242 and the Palestinians by calling for their right to self-determination. (Resolution 242 broadly trades Israeli occupied territory against Arab recognition.)

For critics of U.S. policy, this will be only formal acknowledgement that Washington has been unable to resist Israeli pressure against the involvement of the Palestinians, or more precisely the Palestine Liberation Organisation (PLO), in peace negotiations.

But more damaging, and potentially more risky for the Middle East, is the widely held view in Washington that President Jimmy Carter, whose present domestic political standing is low has his eyes so firmly focused on the presidential elections in November, 1980, that no American intiative of substance on the Middle East can now be expected until 1981.

In the last few days, the symptoms of this disarray have been both dramatic and painful for the Administration.

First, the resignation of Mr. Andrew Young, the outspoken Ambassador to the UN, for lying about an "unauthorised" meeting with Mr. Zehdi Terzi, the PLO's UN observer, illustrated in particular the limitations of U.S. official policy towards the PLO.

Second, Mr. Robert Strauss, the President's special envoy to the Middle East, found himself the unwilling bearer of a U.S. proposal reportedly trying to link Resolution 242 with aspects of the Camp David agreements between Egypt and Israel involving the Palestinians—only to find it flatly rebuffed in both Cairo and Jerusalem.

Third, although the U.S. appears aware that the bilateral talks between these two countries would eventually become an almost empty exercise unless the Palestinians were involved, efforts to do so caved in before Israeli objections.

Meanwhile, Mr. Carter continues to roll on down the Mississippi River and many other top officials, such as Mr. Cyrus Vance, the Secretary of State, and Mr. Zbigniew Brzezinski, the National Security Adviser, have been holidaying. As the Washington Post commented, "the Presidential trip seemed an apt metaphor for a policy adrift, far from the national and international imperatives of the moment."

The immediate causes for this lack of direction stem from a proliferation of centres of power (a traditional problem in Washington) handling Middle East policies. At present, there are three: Mr. Strauss' team, the State Department, and the National Security Council (NSC), with the President, when he turns his mind to it, providing a certain co-ordinating force.

The NSC, headed by Mr. Brzezinski, perhaps provides the smallest policy input, while the State Department, the main policy formulator, has been sparring with Mr. Strauss, whose main job is the President's representative in the negotiations between Egypt and Israel—the cornerstone of such policy as the U.S. has.

The result is a patent lack of close co-ordination and an impression, reinforced by the Young affair, that U.S. Middle East policy is out of step with present realities.

Israelis suspect that Mr. Young, in openly condemning current official policy of not talking to the PLO, was merely voicing in public what many inside and outside the Carter Administration now feel. And the Israelis are right.

Too high a price

A wide range of officials here believe that a commitment given in September, 1975 by the U.S. is too high a price for the immediate goal at the time of obtaining the second interim pull-back of Israeli troops from part of Sinai: this commitment bound the U.S. not to "recognise or negotiate with the PLO so long as (it) does not recognise Israel's right to exist and does not accept Security Council Resolutions 242 and 338." This latter, incorporating Resolution 242, proposes the holding of a conference in Geneva to negotiate a just and durable peace in the Middle East.

Many would also endorse the view of Mr. Young that, while boycotting the PLO might have made some sense four years ago "when we all thought it would go away," it has since grown in influence. This was emphasised by the meeting in July between Mr. Yassir Arafat, the PLO leader, and Herr Bruno Kreisky, the Austrian Chancellor. More contacts, rather than fewer, with the PLO would, it is argued, bring home to them the benefits of moderation which should in the end take the form of the PLO recognising Israel and ceasing terrorism.

With the bilateral peace treaty between Egypt and Isreal proceeding more or less smoothly towards full Israeli withdrawal within three years and before that the opening of normal relations, the focus is now on the second aspect—negotiations over the future of the West Bank and Gaza Strip. There have now been half a dozen meetings since May, but U.S. officials admit that virtually nothing of substance has been achieved beyond agreement on the "modalities" of elections. There has been no agreement yet on the responsibilities of the elected council of Arabs living in the Gaza Strip and the West Bank.

In the approach to the negotiations, Egypt and Israel are far apart. President Sadat wants the "self-governing body" to be the start of a process leading to a Palestinian state. Israel wants to ensure that this never comes about and that it remains ultimately in control of what happens to these territories. The negotiations are further complicated by the continuing establishment of Jewish settlements on the West Bank, which are held by Mr. Menahem Begin, the Prime Minister, to be part of Eretz Israel, the historical land of Israel.

Within the Carter Administration, the strategy over these talks differs. This is shown by the confusion this week on how to get the PLO and its followers on the West Bank and Gaza Strip into the peace process without upsetting the Israelis. On the one hand, there are those here who believe that the talks should proceed gradually in the hopes that sufficient progress will be made to attract the Palestinians, and possibly Jordan, into participating. This view would appear to have full Egyptian and Israeli support.

On the other hand, some members of the Administration by mid-July had come to the reluctant conclusion that the Palestinian nettle has to be grasped, even at the expense of offending Israel. This is because the U.S. has constantly to bear in mind that it has other considerable interests in the area, such as ties with the conservative oil-producing states of the Arabian Peninsula and with Jordan, a moderate "frontline" state.

Conventional wisdom

Today's UN debate might have provided such an opportunity. For the ideal device would have been a resolution linking the PLO, as an indirect form of recognising Israel, with Resolution 242, which essentially trades Israeli withdrawal from occupied Arab land against recognition, but deals with the Palestinians only as "the refugee problem."

Unless the unexpected occurs, this adventurous line would seem to have already fallen ignominiously flat.

It looks like remaining there. For the conventional wisdom, that no risky U.S. foreign policy initiatives are chanced as Presidential elections approach, would seem to apply especially to an enfeebled President like Mr. Carter. He has made it very clear that by refusing to cut short his electioneering holiday down the Mississippi his re-election next year will hang largely on domestic issues. The resultant freezing effect on foreign policy, particularly where the Middle East is concerned, suits both Israel and the still powerful Jewish lobby in the U.S.

American Jews are generous contributors to political campaigns. This is less important than it used to be because of post-Watergate curbs on campaign contributions and the partial public funding of Presidential campaigns. The Jewish lobby has also been divided over the hard line pursued by Mr. Begin's Government.

Furthermore, the peculiar circumstances of the "Young affair" have potentially pitted against American Jews a much wider constituency — black Americans—with several times as many votes. For the realisation has dawned that continued political strife in the Middle East could have serious repercussions for blacks in the U.S. Oil stoppages and increased prices can, as they have this summer, push the U.S. economy into recession. Mr. Young and other black leaders made the point that, when this happens, blacks are often the first to be hurt by unemployment and inflation. This has the effect, through their new links with the PLO, of complicating Mr. Carter's Middle East strategy.

Secretary of State Mr. Cyrus Vance (left) and special envoy, Mr. Robert Strauss, talking to reporters in Washington on Tuesday.

But as the Camp David accords show, they contain chronic weaknesses concerning the involvement of the Palestinians—the central issue—leaving such questions as a Palestinian state and the future of Jerusalem virtually untouched.

Under the Carter Administration, there have been two important new developments. The first has been embodied in the Young affair and the question of relations with the Palestinians. This had its clearest origins as far back as 1975, when the Brookings Institution, a traditional home for out-of-office Democrats, produced a study entitled "Towards peace in the Middle East," in which the Palestinians' "right to self-determination" was considered one of the essentials for peace. Mr. Carter, in proposals put forward in March, 1977, for the first time included mention of "a homeland" for the Palestinians.

The second development is inevitably linked to the first. Contingency plans for military intervention to ensure the continuity of U.S. oil supplies in an emergency have been in existence for some time. But the Carter Administration has upgraded them, together with plans to increase the indirect U.S. military presence in the Gulf.

The States there feel particularly vulnerable at this time. The events in Iran have shaken them because of America's apparent inability to stand by a key ally, the Shah, and because of fears of the disruptive social effects of over-rapid economic development.

Furthermore, the most dramatic consequence of the Washington treaty has been the virtual isolation of Egypt in the Arab world, forcing other Arab countries to team up in name with less moderate states which are openly hostile to the U.S. and Israel. Key American allies, such as Saudi Arabia and Jordan, have been forced to make the choice between supporting the West (either through involvement in the peace process or the supply of oil) and opting for radical pan-Arab measures to boycott Egypt.

Saudi Arabia, by raising oil production by 1m barrels a day while taking part in the boycott, has been able to some extent to keep a foot in both camps. But moderate Arab rulers feel uncomfortable because they fear that the adoption of less moderate political positions will encourage the activities of radicals, in particular Palestinians, in their midst.

In the end, American policy would appear to be operating by default. Washington is confident that Egypt and Israel will press on with their bilateral agreement, making it more attractive to other potential participants. It hopes at the same time that other Arab states will understand that while it will try to look after the particular interests of its Middle East allies, it is in no position to solve certain questions, important as they may be, such as the PLO.

Danger to Sadat

But a shadow hangs over this complacent strategy. For by the spring of next year the bilateral talks will be a year old and should in theory move into the first stage of normalisation through Egypt and Israel exchanging ambassadors. In the absence of real progress, President Sadat could become frustrated and halt the process. At the same time, the effects of the Arab boycott of Egypt will have begun to bite harder. The Egyptian public whose expectations have been raised by peace might well begin to undermine Mr. Sadat's position by questioning why conditions have not been improved.

This would point again to the need for U.S. intervention to get negotiations moving. But how? Through pressure on Israel? This has always been a notoriously counter-productive tactic. Via another run at contacts with the PLO? And all this in election year? The options for a more coherent American policy in the Middle East at this time look dismally barren, and potentially damaging for the stability of most states in the area.

MEN AND MATTERS

Spanners in the works

Telephonists at Chrysler UK's headquarters at Coventry recoil with a curious squeamishness at the word Chrysler. "No, Talbot Cars," they say, giving the caller a kind of electronic rap on the knuckles. They are, I fear, out of order. Much as the new French owners of Chrysler Europe, Peugeot-Citroen, would like to see the name Chrysler disappear into folk memory, it will not die. Chrysler UK, Chrysler France, Chrysler Ireland and Chrysler Spain are, for the time being, saddled with the name. And the British end of the operation is only compounding future legal difficulties by pretending otherwise.

At Talbot headquarters in Paris, officials insisted that the eventual name-change is only a formality and that the German companies are "not a real difficulty." A senior spokesman told me: "Our legal people have been in touch with them since the beginning. We'll have to buy the name. They don't make cars, so it's not much of a problem. If we delayed the changing of the name it's not because of that."

This view of the affair is not shared by everyone involved. Yorck Talbot, for instance, head of the family-owned Talbot and Co., Berlin, whose adjustable Talbot rear mirrors are a household name in Germany, was utterly surprised when Chrysler opted for the name Talbot.

"In 1970-71 lawyers of Chrysler of France asked us whether a luxury car of theirs could be named Talbot," says Talbot. "As we thought this would not damage our products, on the contrary might even be advantageous to us linked to a prestige vehicle, we agreed at the time." Nothing came of the idea. The new development was not announced to the Berlin Talbots, nor was it apparently checked with the even bigger railway carriage company of Aachen Waggonfabrik Talbot, another family firm. The Aachen Talbot—which is holding talks with Talbot/Chrysler today—has already instituted proceedings, and the Berlin Talbots are preparing to join forces.

"I knew that symbol would be a mistake!"

It will be little consolation to Peugeot-Citroen to learn that Talbot is the name of a variety of hound, according to my dictionary, "formerly used for tracking and hunting, having . . . heavy jaws and great powers of scent."

Hugh's idea

Small is trendy. Contrary to popular opinion outside the Square Mile, there is a great deal of money around which pension fund managers are aching to invest directly in local companies—if only the right ones can be identified. Hugh Jenkins, investment manager of the National Coal Board's pension funds, has hit on a characteristically original way out of the impasse.

Hugh the Coal, as he is known in the City, intends to sink 15 per cent of his fund's £200m cash flow into direct industrial investments. His problem, like everyone else's, is to find solid new investments to mop up the money. The Jenkins solution is to embark on an autumnal conference tour of the regions, starting in Tynemouth in October. The overt intention is that the funds will blow their own trumpets to "specially invited audiences" of local authority chiefs and trade union leaders, describing the investments the funds have already made.

The payoff will come with the sherry, afterwards. Hugh the Coal will buttonhole his audiences in the hope of discovering that much-talked about but elusive cornucopia of projects and companies looking for finance.

Global rivalry

If Lt.-Col. John Blashford-Snell goes around the world, can Sir Ranulph Twistleton-Wykeham-Fiennes be far behind? After all in the "exploration" business, there is a fairly limited range of exploits which will attract the right sponsors and publicity.

On September 2, the Transglobe Expedition, led by Fiennes (pronounced Fines) will set off from Greenwich, on the "first polar circumnavigation of the world." The Prince of Wales—not to mention the cameras of Fleet Street—will be there for the start. Meanwhile, Blashford-Snell (known as "Blatters") is already halfway around the globe, on his "Operation Drake;" he also persuaded the Prince of Wales to be the patron of his exploit.

Apart from an upper-class confidence and dash which helps them to attract backers, the rivals spring from similar military backgrounds. Both fought for the Sultan of Oman, exude heroism and talk in Kiplingesque style. They have a fondness for sailing down foaming rivers in rubber boats—Blashford-Snell is about to tackle the Strickland Gorge in Papua, New Guinea.

Both boast business sponsors by the score. The fact sheets about Fiennes' polar journey (echoes of South with Scott) are littered with such names as Racal, ICI, Mobil, Dunlop, Tarmac. Some of the same names also appear on Blashford-Snell's list.

When I telephoned Fiennes' headquarters there was an air of vagueness about Blashford-Snell—whereas the public relations firm representing him observed that Fiennes would be holding trade exhibitions during his travels.

Danger ahead

Stanley Oloitipitip, Kenya's Minister of Home Affairs, has appealed to the Maasai nomads not, please, to disappear into the bush when the Kenya census is taken tomorrow. Earlier census takings have invariably driven the nomads and their herds into parts inaccessible to the census men. This is understandable enough—the Maasai believe that to be counted is a source of evil, leading to certain death all round.

Oloitipitip, a Maasai who seems to have escaped such a fate, has been trying to persuade tribal leaders with the argument that if their people insist on evading the statistics it will be assumed they do not want money to develop. This may, unfortunately, be just the wrong line to take. No one in Kenya is quite certain that the Maasai actually want to "develop." So far they have shown little sign of it, refusing to settle down on land offered them by the government, and living much as they always have done, with their boys and young men herding cattle and goats rather than going to school.

Nearly right

Peter Cordukes, group manager responsible for ICI's in-house telecommunications network is, more than most people, aware of how easily things get garbled. This helped him decide, when his son was born, on a short, uncomplicated name which could not be abbreviated: Roy. When he went to visit mother and baby in hospital, however, he found the cot neatly labelled "Corduroy."

Observer

ECONOMIC VIEWPOINT

What the money figures did not foretell

IN AN interesting passage in a recent debate on the Finance Bill, a Conservative backbencher was expatiating on the idea that the Government need "only" reduce the public sector borrowing requirement (PSBR), and all would undoubtedly be well. Others are well known for the view that we need "only" control the growth of the money supply, with the same happy result will follow. Indeed, other Tory supporters, who may for all I know have voices in Parliament, hold an even simpler view: we need only control the issue of banknotes, and we can forget even the monetary technicalities. Mr. John Biffen, Chief Secretary to the Treasury, who has not previously been known for the subtlety of his views, was constrained to say that policy is not as simple as that.

This fact is, of course, an article of faith with all monetary economists, who could hardly expect to earn a living if things *were* as simple as all that; but once one starts to inquire in what way they are not so simple, there is much les unanimity. That is the question which this article tries to answer; and as a rather repulsive incentive to the reader to soldier on, it is worth adding that the question is, after all, of some considerable importance.

Over the last year we have, give or take a little, controlled the money supply. The borrowing requirement, which did rise rather uncomfortably in Mr. Healey's last year in office, has now been cut quite sharply in real terms; indeed, Conservative *Ministers like to make the* debating point that financially we are simply back on the track which Mr. Healey laid down. Yet what appeared quite a reasonable outlook in 1978 is now, according to the Chancellor, "almost frighteningly bad."

There is, then, something important which the conventional figures do not tell us: and that means that there is something important which the policy-makers need to know. Simply achieving acceptable figures for Sterling *M3* (the official monetary target) and the PSBR will not make the economy perform soundly.

The first line of defence suggests that what we need is tinkering. Sterling M3 is a heavily distorted measure of money (though of course all measures tend to become distorted when they become the subject of official control, as banks seek out the loopholes).

This is true, of course. In the last six months, for example, Sterling M3 has grown at an annual rate of 10 per cent, which looks reasonable (and so, incidentally, has the issue of notes and coin). On the other hand the narrower definitions of the money supply, including bank deposits, has grown at 15 per cent, the much broader definitions invented by Greenwells (including such things as net building society deposits and non-bank holdings of accepted bills) by 14 per cent. Domestic credit expansion, the great catch-all indicator of our days of dependence on the IMF, has been growing at well over 16 per cent, measured as a percentage of M3.

There have been, therefore, some warning signs; but these are fairly routine. Sterling M3 *normally* understates money and credit growth; it seems doubtful to me that merely watching a broader set of indicators would have sounded the alarm bells.

There is a somewhat more radical criticism, to which we will return: that all available measures of the money supply are too narrow, because they are exclusively domestic. Banks can finance their lending operations just as well with deposits from overseas as with deposits from the UK. We should therefore use a measure of the money supply which includes *all* bank deposits, as many other countries do. This is important, especially at the moment; for whereas normally foreign depositors distrust sterling when the balance of payments is weak, confidence this year has been floated on North Sea oil.

Unfortunately the statistics for deposits are a poor guide here. The gross figures include interbank deposits, which need netting out. Even the net figures, could they be worked out, would have doubtful significance for the *domestic* economy; *for the ability of the banks to* lend at home increases just as much when foreigners repay loans (reducing total balance-sheets) as when they make new deposits.

This leads to the idea that it is the *net position* of foreign customers which counts: and that was the germ of the table and chart accompanying this article, which sets out the net position with the banks of all their customers — foreign, UK private, and public sector, not only in sterling but in foreign currency.

Here immediately is a clear and alarming picture of ruin. The private sector has gone, unprecedentedly, into debt to the banks in net terms. The deterioration in the balance is about £6.5bn in the last six months—about eight per cent on income. Of this sum £2.4bn has gone to the public sector, by way of tax payments and purchases of savings instruments, and nearly £1bn has gone into the reserves of the banking system. The remainder, over £3bn, has been financed by an improvement in the net position of the foreign sector. Over the full year, to avoid seasonal distortions, the deterioration is £5.6bn.

Nothing like this squeeze on the net liquid position of the private sector has ever happened before. In the crunch of 1974-75 it was the public sector which took the major financial strain, as the PSBR went out of control. It is this grim slide which sounds the alarm for the next year: for the private sector will be struggling to improve its liquid position. The question is: what is going to give?

One possibility is that the balance of payments will perform a second U-turn, as the private sector tries to save. The large Swing on the oil account makes this possible, but hardly in the scale required: non-oil export orders are weak. A second *possibility is that the* private sector will simply be defeated, and end the year still struggling to restore its position with the banks—the threat of a long recession.

The third possibility is that Government will ease the passage by ceasing to apply any further squeeze. This could happen, because it heeds the warnings of such people as the London Business School and Gordon Pepper *of* Greenwells (both taken very seriously by present Ministers) of the *dangers* of cutting the PSBR next year. Alternatively, the economy could get into such a downward spin that falling revenue and rising social benefits will force the PSBR up, despite a planned cut.

No-one will argue with Sir Geoffrey Howe's description of such an outlook as "almost frighteningly bad." Nor is there any impenetrable mystery about what happened: an excessive *borrowing requirement under* Mr. Healey, which is still excessive after the Conservative tax cuts *for an economy in boom; and on the private side, a* winter of disruption and excessive wage settlements, followed by a spending spree inspired by the potent combination of higher incomes and warnings of higher expenditure taxes. The chart is really a portrait of violent crowding out of the private sector as reflected in the books of the banks.

The question posed by the title of this article remains: how could such disastrous events occur, and leave so little trace in the financial statistics normally regarded as the key ones?

The answer, I would suggest, is to be found partly in the quirks of British monetary definitions, all left over from a period when sterling was chronically weak. The whole series of events has been made possible *by the ready supply of foreign* finance, which would have been unimaginable in the days before North Sea oil was flowing. But Sterling M3 measures only *domestic* holdings of liquidity.

Even domestic credit expansion (DCE), which is meant to be a measure which takes the balance of payments into account, is reduced when there are willing inflows of foreign finance to the *private* sector.

Conventional statistics did give one clear warning: the vast rise in bank lending, of more than £6bn in sterling in the first half of this year, an annual rate of growth of 19 per cent. This was far bigger than the rise in deposits, partly because of public sector debt sales in excess of the borrowing requirement, but above all because of the huge deficit on the current account.

A policy indicator which produces the same figure when credit demand is restrained and *the balance of payments sound,* as it does when credit demand is vast but the money generated is draining out through the balance of payments, *is* seriously faulty. The U.S. has pioneered a similar road to ruin though for quite different technical reasons. Incidentally, the table shows that apart from the inflow of foreign-held sterling which I have already mentioned, the banks effectively switched £1bn of their foreign currency deposits into sterling lending—a move which escapes any sterling measure of money, and incidentally the "corset" too.

The analysis so far underlines the importance of credit as an indicator as well as liquidity: it suggests that if monetary tar*gets are to be achieved in a* sound economy, then net Government credit demand—the fiscal balance—must have regard to the likely *size* of private credit demand. This means credit forecasting and planning, not just mopping up. Funding is no answer if it simply sucks in credit from overseas.

But this could lead to other dilemmas: it is arguable that if the UK economy had been balanced this year, as well as enjoying oil self-sufficiency, then *foreign* demand for sterling assets would have been much greater. This implies either action to balance the capital account, to prevent an unlimited rise in sterling which would kill the productive economy; and *almost certainly requires some* way of sterilising liquid foreign inflows, or discouraging them—the problems the Germans and Swiss have *faced.* It is small wonder that the City is loud with talk of a monetary revolution. Little less will do.

Anthony Harris

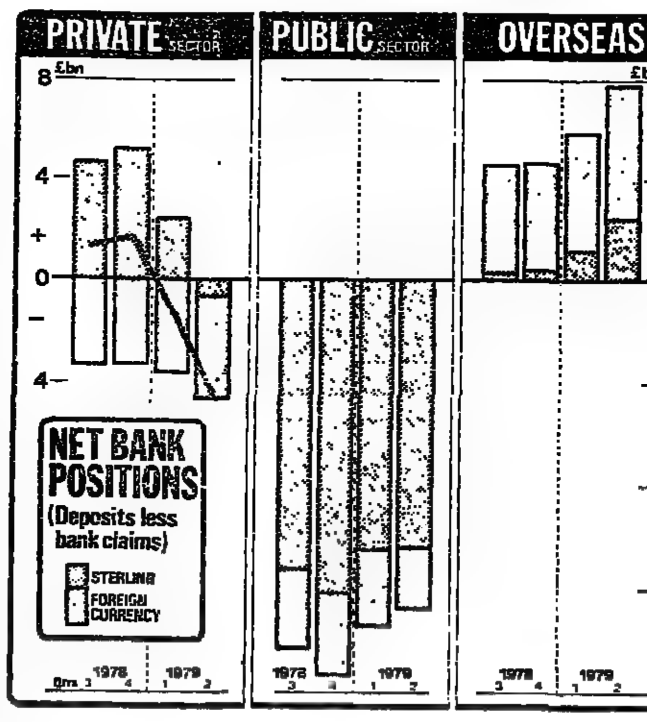
DEPOSITS MINUS BANK CLAIMS WITH UK BANKS

(£m)

	Public sector £†	Public sector FC‡	Private sector £	Private sector FC	Overseas £	Overseas FC	Balance* £
1977 i	−9,727	−3,926	3,565	−3,237	424	6,032	−6,868
ii	−9,983	−3,909	3,447	−3,048	602	5,358	−7,545
iii	−10,790	−4,100	3,742	−3,268	791	6,073	−7,531
iv	−12,209	−3,627	4,398	−3,270	1,478	5,668	−7,663
1978 i	−11,751	−3,595	4,695	−3,423	761	5,573	−7,740
ii	−10,459	−3,323	4,169	−3,229	92	4,415	−8,333
iii	−11,121	−3,077	4,609	−3,392	266	4,318	−8,398
iv	−12,180	−3,046	5,097	−3,324	387	4,243	−8,824
1979 i	−10,466	−2,853	1,429	−3,702	1,027	4,829	−8,692
July 18	−10,382	−2,413	−702	−3,992	1,475	5,329	−9,685

* Balance equals non-deposit liabilities of banks, including own reserves.
† £ = Sterling accounts. ‡ FC=Foreign currency accounts.

Source. Bank of England



Letters to the Editor

Disclosure of information

From Mr. T. Griffin

Sir, — The statement on auditors' responsibilities for trade union accounts (August 13) by the consultative committee of accountancy bodies is very welcome, even if one might ask *why* it has taken five *years since the passing of the* 1974 *Act for it to be produced.*

A cursory examination of filed accounts of trade unions will demonstrate the appallingly low standard of many of them. Some of the more glaring errors are: accounts filed well after the final date allowed under the Act; affairs of branches excluded in some which is clearly illegal; frequent lack of audit qualification; qualification by auditors in such a way as to preclude the possibility of the accounts showing a true and fair view (when, for example, auditors report that the records are so inadequate that they were unable to do an audit); sums written off as irrecoverable without any hint of why or what is going to be done about it; valuations of assets such as property made without any consistency or regularity which, as a result, give union members misleading information as to their union's affairs.

Trade unions are an established part of society with an annual income and assets running into hundreds of millions of pounds. Union members, and the public, have a right to know that accounts audited to an acceptable standard for all trade unions showing a true and fair view of their affairs will be filed for inspection at the right time.

T. A. Griffin,
Griffin and Partners.
22-24 Buckingham Palace Road, SW1.

Changing homes

From Mr. C. Garner

Sir,—Mr. R. Turner (August 11) states that the logic of the view that "home-ownership is a passport to tax-free riches" eludes him, asking "Is it not a fact that the vast majority of house sales are made by people needing to purchase an equivalent property, usually as a consequence of changing jobs?" No, Sir, it is not a fact! The Nationwide Building Society Bulletin (1st Quarter 1979) shows that only 23.4 per cent of home owners give, as the reason for moving, a "change in work location or to be nearer work." The society also concludes that the majority of home owners move less than five miles when buying another home and the reasons most people move are to trade up to better accommodation. It can be said therefore that the majority of those who move home are not spurred on by some relentless economic necessity but are, in fact "investing."

Other types of investment are not free from capital gains tax on sale nor are they eligible for tax relief on interest payments. Perhaps the logical view is not necessarily that "investing" in houses should be made subject to capital gains tax and abolition of tax relief, but that other forms of investment should be treated equally.

I have a feeling, however, that the heat will soon go out of the argument. House prices are already beginning to reflect the factt hat the long-term structural shift of savings into the building societies has nearly come to its end and with it the growth of funds for lending; just suppose that we are also at the beginning of a long-term fall in inflation. "Trading up" to a better house is only fun as long as the capital value rises faster than the (real) cost of servicing the purchase finance. When that is no longer the case, perhaps that will be the time when the majority of home-owners only sell because they are changing jobs.

Charles B. Garner.
5, Wharf Street,
Newbury, Berks.

Recording the mileage

From Mr. R. Ebbs

Sir,—Trust a bureaucrat to take the bureaucratic view. Mr. T. I. Wright (August 18) implies that I have suggested an increase in documentation and bureaucracy to help eliminate "clocking" of cars' odometers. Far from it. The "service record" to which I referred in by August 4 letter consists only of a sheaf of the old bills which previous owners paid to get the car serviced. They provide a complete record of mileages and dates, and could be kept in the glove compartment. No honest seller will object to passing on these bills, and if passing them on became a habit (not a statutory requirement) buyers would become suspicious if they were not available. The problem would fade away by itself.

Many dealers already offer higher prices for cars which have a service record of this type. I was merely suggesting that private buyers could learn to take the same attitude. A publicity campaign (perhaps led by Mr. Wright's Department of Trading Standards?) to educate car buyers and sellers in this simple practice might be desirable. Legislation would be absurd.

Richard Ebbs.
20 Woodland Road,
Chingford E4.

QWERTY old system

From the Managing Director, International Secretaries

Sir,—While reading the letter (August 18) from the managing director of Innovcom concerning microprocessors it struck me that perhaps the manufacturers of small business computers and word processors are laying the blame for managers' "apathetic" and unsympathetic attitudes at the wrong door.

It was suggested that one must be a mathmatical whizz-kid to understand even the rudiments of machines like the word processor, but this would not be the case if the designers did not persist in using a keyboard layout which they are copying from the old typewriter keyboard. A manager will be much more interested in a system that his staff can operate efficiently and therefore cost effectively.

Qwerty, the current layout of typewriters in use in the UK was invented when all typewriters were manual and rather slow in responding to the typists' touch. To prevent the typist hitting the keys faster than the machine was capable of responding, the keyboard was deliberately laid out in such a way as to actually slow her down! The letters used most frequently were placed away from the home centre keys, and the left hand was given more work to do than the right, specifically because most people are known to be right handed!

Having a typewriter deliberately designed to slow the typist down, it is little wonder that typing on a Qwerty keyboard requires such intensive practice if one wishes to reach a reasonable speed and accuracy.

On the other hand, the DSK simplified keyboard places the most frequently used letters (the vowels in particular) in the home keys so that the fingers actually have the minimum distance to travel. The left bias has also been removed so that the right hand does most of the work. Promoters of the system claim that the keyboard can be learnt from scratch within a few weeks only, and that fatigue mistakes are greatly lessened. Yet Qwerty still exists because colleges and businesses won't combine to make the once-only effort to change.

Why manufacturers of the new word processors and computers are so proud that their input-keyboard is Qwerty in layout beats me. Perhaps they are unaware of how and why Qwerty originated!

With the new generation of office machines we have a unique opportunity to change. While we are making the switch to more efficient systems to handle typing, why not go for the improved layout? Manufacturers can then claim (rightly) that their machines do not need trained typists to operate them.

Roger Hutton,
International Secretaries.
17, Berkeley Street, W1.

Paying for pensions

From Mr. R. Nottage

Sir,—Mr. Shucksmith says (August 18) that I reflect "several fundamental misconceptions about the financing of conventional occupational pension schemes, such as those of the National Coal Board and British Rail."

The fact is, of course, that the pension schemes operated by the NCB and British Rail are far from conventional. The NCB's staff scheme has a pensioner/contributor ratio of about 4 to 5, and in its mineworkers' scheme that ratio is almost 1 to 1. British Rail has a large number of former employees entitled to pensions but inadequate funds with which to meet them. These two organisations also increase pensions in payment as the cost of living rises, whether or not their pension funds can afford to do so. Without the taxpayer's support these schemes could not maintain benefits as favourable as those they now offer.

Also, both the NCB and British Rail rely heavily on the taxpayer's money to sustain their present scales of operation. If they were reconstituted under the Companies Acts and required to make their ways in the world on the strength of the revenues they could earn and the capital they could raise on the open market without Treasury backing, they would at best need to be significantly reduced in size—and the prospects for their pensioners, present and future, would be bleak indeed.

Because of the taxpayer's paramount role in the maintenance of these industries, the long-established practices of public finance should prevail over the actuarial theory evolved for pay-in-advance pension schemes in deciding how to meet the pension bills they present to Government.

The state social security scheme is operated by pay-as-you-go and not by the pay-in-advance method that Mr. Shucksmith describes and favours. So are the major public service pension schemes which are a charge on general taxation, except for the local government scheme which is an anomaly ripe for extinction. Thus a large majority of Britain's pensioners draw their sustenance from pay-as-you-go pension schemes, and there is no reason why former mine-workers and railwaymen should not do the same if that would secure immediate economy in Government expenditure—as undoubtedly it would.

Raymond Nottage.
Reform Club, Pall Mall, SW1.

National Union of Students

From the Chairman, Wessex Region, Federation of Conservative Students

Sir,—I read with astonishment the letter by the deputy president of the National Union of Students (August 17) concerning Michael Dixon's article on overseas students (August 10).

While I found Mr. Dixon's article both enlightening and in deadly earnest, in my experience the National Union of Students has been nothing if not infantile, anti-imperialist and depressingly bigoted for an organisation most of whose members have not had many years to become so blinded by dogma. NUS conference, the sole event that gives NUS any legitimacy, has never adopted a "responsible attitude" toward anything. *Decisions* are taken and votes won only by the hearts and never the heads. Its members consider themselves the embodiment of student idealism (the vocal members at any rate) and if practicality should stand in the way then it too must join realism on the sacrificial altar. I recall no NUS motion accepting, let alone even recognising, the possibility of reducing public expenditure, but students of accountancy do not get much of a look in at NUS conference.

One saving grace exists, your newspaper should be grateful to have received a reply from Mr. Christy. Other members of the NUS executive would have pointed out that "public spending of any amount can" *only* "be funded from the overflowing pockets of capitalists," cutting down trees along with nuclear energy (unless it's for the Third World), baby seals and the monarchy are strictly out.

P. J. Sheppard.
2, The Priory, 95, Brown Street,
Salisbury, Wilts.

Telling the truth

From Mr. J. Baker White.

Sir, — Mr. Denis Healey is reported as attacking Sir Geoffrey Howe, the Chancellor of the Exchequer, because he gave the Wall Street Journal a frank picture of the state of the British economy, accusing him of being "unpatriotic."

Is Mr. Healey propounding a new Socialist doctrine, namely that it is unpatriotic to tell foreigners the truth? Or is this the policy he followed when Chancellor in his statements to the EEC, International Monetary Fund and other international organisations and foreign governments?

John Baker White.
Street End Place,
Nr. Canterbury, Kent.

Today's Events

GENERAL

UK—Confederation of Shipbuilding and Engineering Unions delegate conference in Newcastle-upon-Tyne on countering shipyard closure plans.

Magistrates Courts staff outside London call industrial action.

British Aerospace hand over first Nimrod Mk II to RAF, Woodford Aerodrome, Cheshire.

BBC TV announcement on Ceefax aid for deaf viewers.

Two-day talks on pay open at Vauxhall Motors.

Thirty-Seventh World Science Fiction Convention opens, Brighton (until August 27).

Fifth international mass Channel swim begins from Shakespeare Beach, Dover (18 nations taking part).

European Festival of Model Railways opens, Central Hall, Storeys Gate, SW1 (until September 1).

Overseas—UN Security Council debate on Middle East.

Second day of French railway workers' strike, halts three-quarters of system.

OFFICIAL STATISTICS

Public sector borrowing requirement and details of local authorities' borrowing (second quarter). Capital expenditure by the manufacturing, distributive and service industries (second quarter, provisional). Manufacturers' and distributors' stocks (second quarter, provisional). Bricks and cement production (July). New vehicle registrations (July).

COMPANY RESULTS

Final dividends—Aeronautical and General Instruments. Harrott and Co. Kennedy Smale. R. and J. Pullman. South Crofty. Stewart Nairn Group. Joseph Stocks and Sons (Holdings). Interim dividends—A1 Industrial Products. T. Clarke and Co. Hill and Smith. House of Fraser. Imperial Chemical Industries. Newarthill. Queens Moat Houses. Stenhouse Holdings. Wm. Whittingham (Holdings).

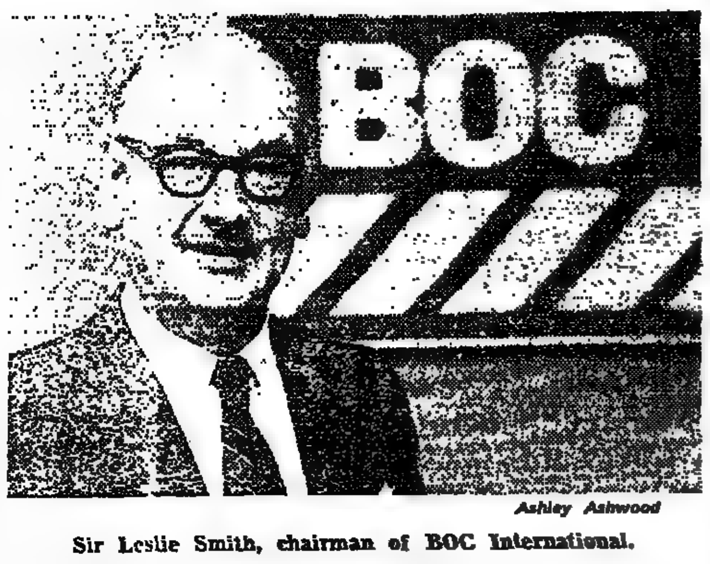
COMPANY MEETINGS

Edbro. Charing Cross Hotel, Strand, 12. R. Paterson, 77 Charlotte Street, Glasgow, 11.30. Somic. Lord Daresbury Hotel, Daresbury, Warrington, 3.

LUNCHTIME MUSIC, London

National Youth Jazz Orchestra concert, W. H. Smith's Courtyard, New Fetter Lane, EC4, 12.45 to 1.30 pm.

BOC reaches £51m after lower third quarter



Ashley Ashwood
Sir Leslie Smith, chairman of BOC International.

IN THE third quarter of 1979 profit, before tax, of BOC International, slipped from £22.6m to £19.1m, leaving the total for the nine months ended June 30 ahead from £48.8m to £51.4m.

The directors report that trading in Africa, the Americas and Pacific was generally good. The Asia results were affected by the reduction to 40 per cent in the group shareholding in Indian Oxygen, while trading in Europe was flat.

They point out that the strength of sterling has had a significant effect on the results

	Nine months 1979 £m	1978 £m
Sales	924.1	917.0
Depreciation	60.1	49.1
Associates	3.3	2.8
Trading profit	89.9	88.5
Airco adjustment	—	20.4
Interest	38.5	19.3
Profit before tax	51.4	48.8
Net profit	27.9	24.4
Minorities	4.6	6.3
Earnings	23.3	18.1

as translated. The results of overseas subsidiaries and associates were translated at rates of exchange at June 30, 1979. If overseas company results had been translated at September 30, 1978 the nine month pre-tax profit would have been £57.9m and £54.9m if March 31, 1979 had been used.

The trading profit for the period was £89.9m against £88.5m but this was struck before interest up from £19.3m to £38.5m and in 1978 an Airco adjustment of £20.4m.

An analysis of the trading profit shows (in £m): Europe £22.7 (£17.0), Africa £10.3 (£11.5), Americas £41.6 (£42.0), Asia £1.2 (£3.2), and Pacific £14.1 (£14.8).

Group net borrowings and finance leases at June 30 amounted to £507.3m. If disposal of all parts of Airco's alloys division had been completed by that date, net borrowings would have been about £450m. The profit on the disposal was not material.

Earnings per 25p share on a nil basis were 8.51p (6.32p) and on a net basis 7.16p (5.6p).

Earnings before charging depreciation on asset revaluations would have been £41m (£27m).

See Lex

Johnson Cleaners boosted by acquisitions to £1.9m midway

BOOSTED BY acquisitions, Johnson Group Cleaners, dry cleaning, work wear and towel service concern, announces a rise in taxable profits from £1.34m to £1.86m for the 26 weeks ended June 30, 1979, on turnover ahead 37 per cent to £16.04m.

Profits for the whole of 1978 were a record £3.41m.

	Half year 1979 £	Half year 1978 £
Turnover, net of VAT	16,035,000	11,726,000
Profit	2,051,700	1,408,967
Trading activities	1,799,044	1,163,778
Non-trdg. props	252,656	245,189
Sundry income	9,758	22,026
Interest payable	270,723	85,764
Profits before tax	1,390,735	1,343,339
Tax	278,000	181,000
Profits after tax	1,582,735	1,162,339
Extraord credit	88,022	86,446
Available	1,670,757	1,248,785
Dividends	247,574	208,783
Retained	1,423,193	1,040,002

Mr. John Crockatt, chairman, says that dry cleaning sales in the group's shops continued to be buoyant, and the Candy towel hire and Apparelmaster work wear rental services continued their planned expansion. Capital expenditure is still at a high rate, he adds.

The net interim dividend is increased to 1.8p per 25p share against 1.5p last time—last year's final payment was 3.5584p.

● comment

Highly sensitive to the level of discretionary spending, Johnson Group Cleaners has now completed two years of enviable growth with a 39 per cent pre-tax improvement in the first half of 1979. Higher borrowings and interest rates have taken a little of the gloss off this performance but the group should be confident of better than maintained earnings in the second six months and on this basis the maximum prospective p/e at 157p, down 1p yesterday, would be 9.4. Seasonal influences should favour Capital and Counties Laundries in the July-December period and the first price increase for 11 months was pushed through in May. Much, however, depends on consumers' expenditure where the current gap between wage increases and the annualised rate of inflation is expected to narrow as the impact of tax changes takes effect this autumn. On the conservative assumption that the traditional 1:2 split between the interim and final dividends is maintained, the yield would be 5 per cent but there is plenty of scope to be rather more generous.

BERNI PUTS £1M INTO FAST FOOD

Berni Inns, the steak house chain subsidiary of Grand Metropolitan, has set up a £1m company to enter the rapidly-growing fast food market.

It has refused to reveal details of its proposed onslaught into the fast food business until next Tuesday.

Berni Inns is now the largest steak house chain outside the U.S. with 280 branches.

NMC Invs. aims for expansion

The interests of NMC Investments in the packaging industry will be developed as and when the right opportunities present themselves, Mr. N. M. Marshall, chairman, says in his annual statement.

As reported on August 18, taxable profits rose from £181,769 to £192,500 in the year to March 31, 1979, of which £98,008 (£86,552) came from subsidiaries. The dividend is held at 1.43p net.

Commenting on the subsidiaries' prospects, Mr. Marshall says sales and profit targets for the current year have been increased at Propp Corrugated Cases, and first-quarter management accounts indicate that performance is ahead of budget. The directors are confident of an increase on last year's profit of £91,573 (£86,552).

Speedwell Packaging — acquired by Propp from a receiver in September 1978—turned in a small profit last year, against expectations. It has

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Richard Clay	1.6	Oct. 2	1.35§	—	2.96
S. Hoffnung	3	—	2.81	4.49	4.3
Inv. Trust Guernsey int.‡	3.5	Nov. 1	3	—	8.25
Johnson Group ...... int.	1.8	Oct. 1	1.5	—	5.06
Suter Elect.	1†	Oct. 19	0.3	1	0.3
Victor Products	3	Oct. 3	1.03*	3.74	1.69*

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Gross throughout. § Including 0.0225p supplementary.

Hoffnung fails to make up shortfall

A 30 PER CENT increase in Australian profits was offset by a substantial reduction in the contribution from G. and M. Power Plant, leaving the taxable surplus of S. Hoffnung and Co. behind at £1.84m for the year ended March 31, 1979 against £2.78m. Turnover fell from £105.32m to £93.28m.

There was also a reduction in profits from New Zealand and Fiji. And the directors say that overseas earnings were converted into sterling at higher rates, ruling at March 31, compared with last year.

At halfway profits had slumped from £1.52m to £880,000 but the directors expected profits for the full year to be similar to 1977-78.

	1978-79 £000	1977-78 £000
Turnover	93,279	105,319
Group profit	1,968	2,778
Deprec. on bldgs.	126	—
Profit before tax	1,842	2,778
Tax	1,078	1,125
Net profit	764	1,653
Extraord. debit	30	*158
Minority interests	42	109
Pref. dividends	19	19
Attributable	673	1,681
Interim divs.	262	262
Proposed final	530	495

* Credit. † Profit.

Earnings per 25p share are well down at 3.98p, against 8.66p. The dividend is increased to 4.492p (4.2992p) net with a final of 3.007p.

The directors state that the tax charge was increased by an additional provision of £230,000 this time, in respect of the previous year.

Hoffnung are involved in wholesale and general merchanting, retail and manufacturing.

● comment

Hoffnung's forecast of a second-half recovery did not materialise and full-year profits have dropped by a third. No breakdown is given but it seems that G and M Power Plant, the UK generator manufacturing subsidiary which last year contributed a quarter of group profits, has suffered a serious shortfall. Hoffnung is not alone in finding the generator market difficult at the moment, but with roughly 70 per cent of production finding its way to overseas markets, the strong pound has taken its toll. On the other hand, Australia, by far the group's biggest profits earner, has gone ahead strongly. Here, the group has managed to improve its competitive position in both the retail hardwear business and the plastic mouldings activity. These should show further growth but the group cannot expect much extra spport from its UK operations in the current year. Growth has run out for the moment and a p/e of 12.6 at 53p, down 6p yesterday, looks vulnerable despite a yield of almost 13 per cent.

£176,329 for Suter Electrical

Including an exceptional debit of £48,000 against £26,215, pre-tax profits of Suter Electrical, hair salon equipment maker, finished the March 31, 1979 year ahead at £176,329 compared with a previous £136,431. Turnover was up from £1.77m to £2.34m.

At the interim stage profits, before exceptional items, had advanced from £65,220 to £121,095.

After the year's tax charge of £85,781 compared with £60,840 earnings are shown as 2.75p (2.3p) per 5p share. The dividend is raised to 1p (0.3p), as forecast at the time of the rights issue.

Richard Clay advances to £1.1m at halfway

On turnover well ahead from £5.3m to £8.25m the taxable profits of Richard Clay and Co. advanced from £922,734 to £1.11m in the half-year to June 29, 1979.

The inclusion of Fakenham Press and 51 per cent of Wensum Graphics accounts for a considerable part of the turnover increase, says the Board.

The group, which bought Fakenham Press for £350,000 in April this year, is raising the interim dividend from 1.35p net, which included a supplementary payment of 0.0225p, to 1.6p per 25p share. Last year a total of 2.96p was paid from a taxable surplus of £1.9m (£1.64m).

Tax for the period is down from £359,000 to £287,000.

The directors say the Fakenham acquisition produced a substantial book profit on transfer of assets. Part of this will be released to the profit and loss account over the next five years to compensate for any poor trading results while the new company's profitability is being improved. The amount taken to credit for the half-year is £67,500.

Current order books are holding up in most areas, says the Board.

● comment

The decision by Richard Clay to write an unrealised capital surplus into the revenue account over the next five years is somewhat bizarre. The company says that the sum paid for Fakenham was nominal (£350,000) and that shareholders are entitled to some of the discount on its real value—particularly as Fakenham is still losing money. Even without this the first half figures are perfectly respectable, with pre-tax profits up by 12.8 per cent. Margins remained roughly constant so Fakenham's sales contribution was probably a shade over £2m. The forecast for the whole year is cautious, as is the dividend policy, largely because of the potential effect of spending cuts on Clay's substantial educational book business. The group is well placed to withstand a downturn in consumer spending, however, as it boasts a broadly-based order-book and a liquid balance-sheet. Pre-tax profits of £2.3m would put the shares, at 94p, on a fully-taxed p/e of 7.6—high for the sector but then specialist printers traditionally merit a premium rating.

Westminster Property up £30,000 at six months

BY MICHAEL CASSELL

Westminster Property Group, which for the whole of last year incurred pre-tax losses of £26,599 and had its accounts heavily qualified, reports taxable profits of £42,000 for the six months to March 31, 1979, against £12,000 last time.

The figure was struck after interest of £237,000 (£214,...) and exceptional losses this time of £8,000. The results include those of the wholly-owned subsidiary in Portugal.

Earnings per share are shown to have risen from 0.17p to 0.6p.

The company, which ran into serious problems over its Portuguese development programme following the 1974 revolution, was earlier this year involved in a reverse takeover by Eaglemoor, a private property group. WPG paid £1.8m for the company's capital in a deal which gave Eaglemoor 51 per cent voting control of the combined group.

As part of a reconstruction package, Sir Alfred McAlpine converted its £0.3m loan on the Portuguese scheme into shares and the Board was reconstructed.

The Westminster Board said yesterday it had made progress in a review of the existing property portfolio and operating activities.

As a result sales totalling £...000 had been made, involving properties not expected to contribute adequately to future profits. The move will help reduce loans from bankers.

In Portugal, the main structure of the Lisbon office development scheme has been completed and the company said that all interest payable in Portugal had been treated as a development cost of the building. The company is still seeking a purchaser who will buy and complete to his own requirements.

The company says the removal of the restriction on investment by UK residents has speeded up sales at its Algarve housing development. Mr. A. P. Ravenhill, chairman, says only a few houses and flats remain unsold and the company still has additional land which it "may well bring to development" at a later stage.

PECK HOUSE PURCHASE

Peck House Investments has bought from the receiver the trading companies of the Joseph Peck Holdings Group to carry on the television rental consumer credit and retail businesses in South Yorkshire. Peck House is a private company which was formed following the raising of over £2.5m in equity and loans by Edinburgh Financial and General Holdings, from a group of banks, pension and investment funds.

Mr. Ronnie McNeill, a director of Edinburgh Financial, says "the old company, Joseph Peck, was quoted and we will examine in due course the possibility of the new company seeking a quotation."

With the strong financial backing it has, there will be no shortage of cash to provide for an expansion of its activities.

London Brick tumbles to £3.1m at interim stage

TAXABLE profits of London Brick Company were more than halved in the six months to June 30, 1979. Eroded margins, the bad winter, the lorry drivers' strike and a low level of housebuilding combined to bring the surplus down from £6.72m to £3.07m. Turnover advanced from £52.7m to £55.9m.

	Six months 1979 £000	1978 £000
Turnover	55,854	52,746
Trading profit	4,740	8,254
Depreciation	1,260	1,000
Investment income	433	86
Interest charges	779	559
Associated losses	64	61
Profit before tax	3,070	6,720
Tax	1,229	2,442
Profit bef. extra. items	1,841	4,278
Extraord. credit	1,998	—
Attributable	3,839	4,278

But the group says that the immediate outlook is more favourable, and steps have been taken to improve margins.

Reporting record pre-tax profits of £14.1m at the year-end the directors warned that the first-half figures were likely to be disappointing.

They now say that brick deliveries were down on the same period for 1978 because of a low level of housebuilding. Brick stocks rose due to low demand and some increase in production.

But the Board says that the most significant factor was that margins were severely eroded by heavy increases in costs when brick prices were being held.

The overall performance of the subsidiaries in the first-half was disappointing. The growth of London Brick Landfill and the satisfactory outcome from Croydex was partly offset by other companies' losses.

However demand for bricks has now improved and since the half-year the bulk stocks has been lifted. Prices have been increased to restore margins, and these are now satisfactory.

The directors add that in the longer term much will depend on the level of interest rates and the maintenance of confidence in the private sector. Mid-term interest charges rose from £559,000 to £779,000.

Taxation for the half-year is £1.23m (£2.44m) and there is an extraordinary credit this time of £2m which is principally the profit from the sale of shares in H. and R. Johnson-Richards Tiles and Norcros.

The attributable surplus comes through at £3.84m, against £4.28m. An interim dividend will be declared in October.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Al Industrial Products, T. Clarke, Hill and Smith, House of Fraser, Imperial Chemical Industries, Newarthill, Queens Moat Houses, Stenhouse, William Whittingham.

Finals—Aeronautical and General Instruments, Commercial Bank of Australia, Fitzwilton, Harrott, Kennedy Smale, R. and J. Pullman, Stewart Nairn, Joseph Stocks.

FUTURE DATES

Interims—

Bramall (C. D.)	Sept. 3
Cement-Roadstone	Aug. 29
Claverhouse Investment Trust	Sept. 3
Grovebell	Aug. 29
International Thomson	Aug. 28
Nurdin and Peacock	Aug. 29
Pentland Industries	Sept. 10
Small (John C.) and Tidmas	Sept. 4
Stewart Wrightson	Aug. 30

Berwick Timpo leadership bid—meeting fixed for Sept. 19

BY ARNOLD KRANSDORFF

THE SHOWDOWN between the directors of Berwick Timpo and the supporters of Mr. Torquil Norman, the former chief executive who is fighting to return to the Board, is to take place at an extraordinary meeting on September 19.

This was announced yesterday as Mr. Norman, who claims to have shareholder backing for at least 37.6 per cent of the equity capital, launched his "technical" bid for the toymaking company.

In the formal document Mr. Norman makes it clear that the 75p per share cash offer worth £4.2m does not reflect his assessment of the value of Berwick Timpo. He advises shareholders to retain their shares and vote for the proposed Board changes "which I believe to be essential for the future prosperity of our company."

These proposals call for the removal from the Board of Mr. John Oakley (chairman), Mr. J. A. Stitt and Mr. J. A. C. Hill, and the reappointment of Mr. Norman and the appointment of Mr. Michael Andrews, as directors.

Explaining the background to the dispute, Mr. Norman says that it was the refusal of Mr. Oakley to support his proposals for improving the supervision and management of two subsidiaries (Model Toys and Flair Toys) that caused the policy disagreement and led to his resignation.

"Had I remained and sought shareholders' support for the changes that I was proposing, publicity would have been inevitable," he said. Mr. Norman added that Hill Samuel, the company's merchant bank, and Rowe and Pitman, the company's stockbrokers, had indicated "that I should do everything possible to avoid a public row over my policy disagreement with Mr. Oakley."

"However, as Mr. Oakley has brought the disagreement to your attention in his letter of July 27 and forced the issue to be resolved in public, my decision to withdraw from the Board to avoid publicity did not achieve its objective."

Mr. Norman said that after his resignation, he had a number of meetings with major shareholders and also sought the advice of Charterhouse Japhet. Before agreeing to support him, Charterhouse Japhet had meetings with the managing directors of three of the company's principal operating subsidiaries—all of whom, said Mr. Norman, had "expressed their wholehearted support for me and for the proposals which I subsequently made to Mr. Oakley."

In the meantime the three managing directors were appointed to the Board—"a step which I originally suggested."

Mr. Norman said that on June 27, he explained to Mr. Oakley that he had "considerable" support from other shareholders for his proposals. "Since the Board rejected the proposals I and my principal supporters have had to requisition an EGM."

The offer document also lists the share stakes of Mr. Norman's other supporters. They include Scottish Northern Investment Trust with 5.4 per cent and Charterhouse Japhet, which controls 6.9 per cent.

Mr. Norman's own shareholding in the company (along with his family interests) amounts to 12.7 per cent.

Mr. Oakley said after the offer document was released that Mr. Norman's letter "contains numerous inaccuracies and confirms the Board's view that Mr. Norman's proposals have no merit whatsoever."

He said that the managing directors of the subsidiaries were all united in their determination to resist Mr. Norman's return to the company "and they have made it clear to me that in the event the resolutions are passed they would no longer wish to work for the group." He urged shareholders to vote against the resolutions.

Arlington well ahead in first quarter

At the annual meeting of Arlington Motors, Mr. Norman Housden, chairman, said management accounts indicated that results for the first quarter of the current year were substantially ahead of 1978.

This was due primarily to increased profits from commercial vehicle and coach sales, and the addition of Northampton Car Auctions.

He added that although the future remained still uncertain, the directors were encouraged by current trends.

Taxable profits of the motor dealer reached £1.32m (£1.15m) in the year to March 31, 1979, on turnover some £7m higher at £50.52m.

Letraset's satisfactory start

Trading has been satisfactory since the beginning of this year, says Mr. Bill Fieldhouse, chairman of Letraset, in his annual statement.

He adds that the group is consolidating a major phase of diversification. The recent rights issue to raise £9m will ensure that they are able to take advantage of substantial growth opportunities, says the chairman.

The group, which bought stamp dealers Stanley Gibbons International early in 1979, lifted taxable profits 42 per cent to £10.5m in the year to April 30, 1979. Part of the rights issue announced earlier this month will be used to buy a U.S. stamp collection for $10m—said to be the largest purchase in philatelic history.

Mr. Fieldhouse says the purchase will have a significant effect on Stanley Gibbons trading in the current year.

The balance sheet shows fixed assets at the year-end of £10.46m (£3.78m).

Net current assets stand at £2.91m (£8.5m). Stocks and work in progress are up from £6.4m to £19.7m and of this £9.5m is stamps and other collectables. Debtors and prepayment are £14.1m (£9.4m).

Creditors and accrued charges are up from £4.9m to £9.9m and bank advances from £150,000 to £8m.

MINING NEWS

CGFA earnings boosted by Renison's tin

BY KENNETH MARSTON, MINING EDITOR

THANKS to the continued strong performance of the Renison tin mine in Tasmania, earnings of Consolidated Gold Fields Australia for the year to June 30 have advanced to A$12.17m (£6.17m) from A$8.52m in the previous year when the total included an extraordinary credit of A$1.4m.

The latest earnings per share amount to 44.9 cents (22.8p). CGFA is raising its final dividend to 10.5 cents (5.3p) making a total for the year of 17.5 cents compared with 13 cents for 1977-78.

As already announced, the 53.3 per cent-owned Renison lifted its net profit by 27 per cent to a record A$22.7m in the year to last June in line with increased production and high tin prices.

Renison's outlook is regarded as "excellent" although it is pointed out that the effect of its current expansion programme will be only marginal in the current financial year. No mention is made of any move fully to acquire Renison, as has been rumoured from time to time.

Of the other CGFA interests, the Mount Lyell copper operation is expected to stay out of the red provided metal prices are maintained. Bellambi Coal reports an amended operating loss of A$367,000 for the year to June 30 compared with the previously reported loss of A$621,000.

The reduced loss follows a progress payment of A$470,624 in respect of an insurance claim. Bellambi's short-term outlook is still very dependent on the level of sales and relief from shipping delays at Port Kembla which were a major factor in the past year's poor performance.

The group takes a more confident view of the prospects for its mineral sands operations which are to be expanded with the proposed A$6.5m purchase of the Jennings Industries' leases and facilities at Eneabba. Associated Minerals Consolidated should benefit from higher priced sales contracts in the current half year.

Hollinger's business changes

A FAMOUS NAME in Canadian mining has disappeared as shareholders in Hollinger Mines, once Hollinger Consolidated Gold Mines, approved a change to Hollinger Argus, reports John Soganich from Toronto.

The change reflects a major diversification in the company's business. The shareholders also approved a previously announced deal involving the sale by Hollinger to its 60.75 per cent owned Labrador Mining unit of its 7.5 per cent interest in Noranda Mines for C$80.2m (£31.1m).

Labrador is paying with a mixture of shares, cash and a promissory note. In its turn Hollinger has bought out the interest in Argus Corporation, held by Ravelston Corporation for a C$87.7m package of shares and cash. Previously Argus owned 26.19 per cent of Hollinger.

The result of these transactions is to give Hollinger Argus a stake, through Argus Corporation, in Massey-Ferguson, Dominion Stores and Standard Broadcasting.

Meanwhile Hollinger has announced a sharp increase in first half profits over 1978. Net earnings in the six months to June were C$9.5m (£3.68m), or C$1.93 a share, compared with C$4m, or 78 cents a share, in the same period last year.

Royalty, dividend and interest income was much higher than in 1978, the company said, and Mr. Percy Finlay, the president, is expecting a very good year.

At Iron Ore Company of Canada—established to develop discoveries of Hollinger North Shore, a Hollinger subsidiary, and Labrador Mining—a record year is expected, thus boosting royalty income for the Hollinger companies.

Labrador Mining itself is also expecting a record year, and in the first half had net profits of C$9.4m (£3.6m), or C$2.84 a share, against C$3.6m, or C$1.08 a share, in the 1978 first half.

GMK FORTUNES REVIVE

A 37 per cent increase in the amount of gold produced by Kalgoorlie Mining Associates and a similar percentage rise in the price received, has revived the fortunes of Gold Mines of Kalgoorlie. Yesterday GMK announced net profits for the year to June of A$2.27m (£1.16m), compared with a loss of A$137,000 in 1977-78.

GMK has an indirect interest of 24 per cent in KMA, which mines on the Golden Mile in Western Australia. KMA is 48 per cent owned by Homestake Mining, a U.S. group, and 52 per cent owned by Kalgoorlie Lake View.

KLV has three shareholders—GMK with 47 per cent, Poseidon with 47 per cent and Western Mining, which acts as general manager and consultant, with 6 per cent.

KMA's net profit for the year to June was A$9.98m (£5.08m), against A$409,821 the previous year, and it distributed A$2m to its owners last April, and a further A$2m in July—during the new financial year.

After taking up its 52 per cent share in the KMA profits, KLV had a 1978-79 net profit of A$5.01m (£2.5m) compared with A$193,443.

There was no dividend declaration with GMK's profits announcement, but 3 cents was announced last April and paid in June. The shares yesterday were 10p higher at 95p, not only because of the figures but because of the general trend on the market.

Earnings drop at Eldorado

PROFITS at Eldorado Nuclear, the crown-owned Canadian uranium mining and processing group, dipped sharply in the first half and the prospects for the future look gloomy.

Earnings in the six months to June were down to C$2.7m (£1.04m) from C$19.8m in the same period of 1978. Sales were down to C$54.4m from C$81.4m.

The record earnings last year reflected the sale of uranium concentrates from inventories accumulated in previous years. The inventories have now been reduced to normal operating levels.

"Profitability for 1979 is down considerably from target and a further provision is now being made for anticipated losses on certain low-priced 1980 uranium oxide deliveries," said Mr. Nicholas Ediger, the Eldorado president.

In the most recent half, the group faced production difficulties at the Beaverlodge mine and mill, primarily because the mining plan had to be changed in the light of a shortage of skilled underground workers.

At the same time there were regulatory delays in approving production plan for a satellite mine. The end result was that there was a significant decline in the grade of ore milled and the amount of concentrates produced.

Victor Products ahead to £1.6m

After lifting taxable profits from £1.21m to a record £1.59m Victor Products (Wallsend) is raising the total net dividend from an adjusted 1.69p of 3.743p with a final of 3p.

The directors say that the record profits and turnover—up from £8.03m to £10.22m—were achieved in spite of relatively poor demand from the home market.

At midway when the surplus had advanced from £482,660 to £643,200 the Board said it expected a significant advance over the previous year's figures but it did not expect the second-half increase to be as great as that of the previous year. In the event the profits for the second six months to April 30, 1979 showed an improvement of some £200,000.

The Board now says that the 3p final has been recommended after considering projected capital spending of about £1.5m in the current year. The directors add that in future they hope to recommend dividends in line with profits.

The after tax profit comes through at £1.39m, compared with £1.06m, and stated earnings per 25p share were up from 13.92p to 17.67p.

Last year was one in which large export orders, particularly from China, featured prominently. A substantial part of these orders will produce turnover in the current year.

However, to achieve growth against a background of a far from buoyant home market and an export market hampered by the upsurge in sterling's value, will call for improved efficiency throughout the company. Our employees are aware of this and some real growth in turnover is expected again this year.

It was possible to negotiate a £500,000 loan from European Coal and Steel Community Funds, during the year, at an advantageous fixed rate of interest.

The lighting division has settled into its new premises. It became apparent last winter that Transtar was outgrowing its premises and negotiations were completed by the year-end for the company to move to new premises which were 70 per cent larger.

Drilling division premises are also very full and extensions are currently under discussion. The connector division has reorganised to take advantage of the space vacated by the lighting division plant, leading to a considerably more efficient layout.

Since the financial year end a subsidiary has been formed in South Africa to protect the coal mining activities there.

● comment

Victor Products has achieved record turnover and profits this year; an impressive performance in view of the low level of domestic demand for mining equipment. Pre-tax earnings have increased by nearly a third on a 27 per cent higher turnover, surpassing the expectations of most analysts and boosting the share price 8p to 143p. The main reason for the advance was several large export orders, especially from China and Poland. These orders, for products across the spectrum of the mining equipment business, will also contribute to growth in the current year. The strength of sterling has not affected the 1978-79 figures, but could be felt this time. But the group seems confident and has undertaken an expansion and re-equipment programme which is funded, in part, by a low-interest EEC loan of £500,000. The total dividend has been increased by 120 per cent, but is still covered more than four times, yielding 3.8 per cent at yesterday's price. The p/e on published earnings is 7.9. Victor Products has been growing steadily for nearly a decade but, although its yield is not brilliant, it shows promise for continued stability in a market not usually known for such solid performance.

BIDS AND DEALS

Ecclesiastical in talks with Pendle Insce.

The Ecclesiastical Insurance Office is holding discussions with the owners of Pendle Insurance Company with a view to acquiring the entire capital of Pendle.

The EIO—a leader in the field of insuring church and independent school property — was founded in 1887 by a group of Anglican churchmen to conserve for church purposes profits from the insurance of church property. The capital is owned by Allchurches Trust, registered as a charity.

Pendle is a small life company owned by the French insurance group Ancienne Mutuelle Group. It has a capital of £1m and its life fund at the end of 1978 was £404,700—very small by current standards. It transacts most classes of traditional life business, operating through the insurance broker market.

EIO is still negotiating terms with Ancienne and no indication of the cost or method of acquisition has yet been given. The intention is that Pendle will be run as a subsidiary of EIO completely separate from the present life operations of the company.

Although the life business of EIO is part of the company, it operates on mutual lines with all the profits of the life fund going to the with-profit policyholders. It is also one of the few life companies that does not pay commission to intermediaries. It is a leader in the with-profit sector of life assurance.

In this respect, Pendle will operate quite differently from the EIO life fund in that it will expand its broker connections and pay some of its profits to EIO as the sole shareholder.

The EIO has in recent years been steadily increasing its insurance activities, including expansion into personal and hotel insurance. It came to the market last year, raising £3m through a placing of redeemable preference shares.

EDINBURGH RINK REJECTION

Edinburgh Ice Rink has rejected the cash and share offer from the privately owned Murrayfield Ice Rink because it reflects "inadequately" the value of the assets of Edinburgh.

Shareholders are told that the assets of the company now consist of cash and deposits of £254,800, plant and machinery which is expected to realise £1,500 and the Ferry Road site. Against these should be set certain tax and other liabilities amounting to £101,700.

An offer has been received of £215,000 for the Ferry Road site which has been made on behalf of a substantial house-building company.

Assuming the sale of the site which would yield £164,000 net of expenses, tax on capital gains and development land tax, the net tangible assets of Edinburgh would amount to £318,600, equivalent to 241p per share.

Murrayfield is offering three of its own £1 shares and 50p cash for two shares in Edinburgh, in which businessman Mr. James Glasgow controls over 35 per cent of the equity.

PROVINCIAL LAUNDRIES

An agreed bid worth £260,000 is being made by Provincial Laundries for Godalming Laundry.

Terms of the offer are 10 Provincial ordinary for every Godalming ordinary, and 2.5 Provincial ordinary for every preference share.

The offer values Godalming's ordinary capital at £247,950 and the preference capital at £9,787.

The Godalming Board considers the terms to be fair and reasonable. Directors, with other shareholders, who have in total some 32 per cent of the ordinary shares, have undertaken to accept.

Arrangements are being made through L. Messel and Co. to provide a cash underwritten alternative of 40p for each Provincial ordinary allotted.

Net asset value of Godalming at December 31, 1978, was £339,151 and taxable profits for the year to that date were £40,405.

BRITTAINS SELLS

Brittains has sold its subsidiaries, Brittains Plastics and Brittains (Group Estates), to Alida Packaging Group, a member of the Rockware Group, for £350,000 cash.

It has also sold its transport subsidiary, G. Priestner, to W.B.S. Transport for £365,000 cash.

The disposal of these subsidiaries has resulted in a reduction of some £2.7m in the borrowings of Brittains, the directors state.

The disposal of the group's non-paper making activities has now been completed and all the remaining trading subsidiaries will form part of the on-going business of the Brittains group.

DALGETY STEPS UP SPILLERS STAKE

Rowe and Pitman continues to buy Spillers' shares in the market on behalf of Dalgety, the international food and agricultural trader which has made a bid for Spillers. On Tuesday, the stockbrokers bought another 5.15m shares at between 49½p and 48⅞p, bringing the stake up to 10.8 per cent at a total cost to Dalgety of nearly £8m.

Yesterday they were again active in the market, particularly during the morning when a considerable number of Spillers' shares became available. Dalgety is believed now to have picked up another 3m or so shares, or around 13 per cent.

Under Stock Exchange rules, if a bidder acquires 15 per cent or more of the target company in the market it must then make a cash offer to all shareholders. At present, Dalgety is offering shares only for Spillers.

Spillers' shares weakened again by 1½p to 47p yesterday, giving Dalgety the chance to continue buying at just below the equivalent value of its bid despite its own sliding share price. By the end of the day, Dalgety's shares had been marked down to 284p, a fall of 9p on the day, and at that level the bid is worth 47.33p a share.

CRODA BUYS MORE YORKSHIRE CHEM.

Croda International, the chemicals processor, continues to buy shares in Yorkshire Chemicals as they become available in the market at a price Croda considers "right." Yesterday the group bought a further 104,000 shares bringing its holding to 1.6m shares or 12 per cent.

Mr. G. E. Bates, Croda's secretary, said yesterday that the company had "no fixed idea" of what it wanted to do with the stake. The investment was likely to be a long-term one, he said.

HANSON HAS 17.3% OF LINDUSTRIES

Hanson Trust has raised its stake further in Lindustries, for which it recently launched a repeat bid, and now owns 3.24m ordinary shares, representing 17.3 per cent of the equity.

Since announcing its £26.5m offer at the start of this month, the company has added more than 2m shares to its previous 5.9 per cent holding, most of the increase coming from sales by institutions.

Lindustries has rejected the bid as totally inadequate. Hanson is offering 135p for each Lindustries share, exactly the same as its earlier abortive bid, nearly two years ago.

The latest addition to its stake came with the purchase of 262,202 shares at 135p ex-dividend. Lindustries was unchanged last night at a cum-dividend price of 140p. Hanson also showed no movement at 119p.

TYZACK SONS APPROVAL

Shareholders of W. Tyzack Sons and Turner have approved the disposal of its garden tool interests to Jenks and Cattell. At the same time they have approved an ex-gratia payment of £22,500 to Mr. E. Bridgeman.

Mr. Bridgeman has resigned as joint managing director of Tyzack, because his primary responsibilities within the group had been related to the garden tool business.

He is to remain with the company in a consultative capacity looking after the financial affairs of the company until October 31, 1979, or until the finalisation of the accounts for the year to July 28, 1979, if that is not later. During that period he will be a non-executive director of the company.

His ex-gratia payment is on account of the interruption of his five-year service agreement which still had three years to run.

Jenks and Cattell has sent details to its shareholders of the purchase. An initial consideration of £545,000 has been paid, satisfied by a cash payment of £345,000 and the issue of 250,000 ordinary shares in Jenks.

Pentos has purchased a further 64,000 ordinary shares in Jenks in the market, and its holding now amounts to 490,000 ordinary shares representing 20 per cent of the enlarged share capital.

SHARE STAKES

Chamberlain Phipps—W. R. F. Chamberlain, director, has disposed of 20,000 shares at 50p, leaving his holding at 316,887 shares.

Rentokil Group — Sophus Berendsen AS has bought 13,050 shares, making its holding 52,649,200 shares (55.5 per cent).

Ropner Holdings—Croft Autodrome has acquired 25,000 shares. Croft is controlled by certain directors common to both companys.

MP calls for inquiry into council house sales cost

BY ANDREW TAYLOR

THE GOVERNMENT has been asked to set up an independent inquiry to establish whether its plans to increase council house sales substantially will result in a profit or loss for the community.

Mr. Jack Straw, Labour MP for Blackburn, said yesterday that views conflicted widely on "how much the taxpayer and ratepayer stands to gain or lose" from such sales.

He has written to Mr. Michael Heseltine, Environment Secretary, calling for an independent inquiry into the financial implication of the sales programme. Mr. Straw was formerly special adviser to Mr. Peter Shore, Labour's Environment Secretary.

Mr. Straw said that it would be a grave dereliction of duty if Parliament were to approve a sales programme "in the belief that this would save public money, if it later transpired that it had cost the public a substantial amount."

"The Treasury, too, would no doubt be interested in a dispassionate assessment of the effect of sales."

Mr. Straw noted that Mr. Heseltine had said that the sale of an average council house would save the community £290 a year. Yet Shelter, the organisation for the homeless, reckoned that the sale of such a house would result in a £2,957 loss over 40 years.

"It cannot be in the public interest that the argument should be as technically confused as it is. The public have a right to know, far better than they do today, just who will benefit, and who will pay for your sales programme, where discounts will be up to 50 per cent," Mr. Straw says in his letter to Mr. Heseltine.

Mr. Straw said that there was virtually no agreement about the financial consequences of sales and no agreement about how profits or losses should be calculated.

He said that Government-supported figures had not considered the effect of tax relief on mortgages or that mortgage payments remain fairly stable while rents rise with inflation.

● Mr. Straw has also asked Mr. Heseltine to halt council sales by the Greater London Council. The GLC, he said, had sold houses as much as £14,000 below historic cost price, which conflicted with the Secretary of State's policy stated in his election campaign.

Technology aid offer by Britain

By David Fishlock, Science Editor

THE BRITISH Government has offered to set up a clearing house in Britain for innovations of potential interest to the developing countries.

Mr. Neil Marten, Minister for Overseas Development, put the idea forward at the UN Conference on Science and Technology for Development (UNCSTD) in Vienna yesterday.

Britain was thinking of a Technology Transfer Centre "to facilitate access by developing nations to the technology they need," said Mr. Marten.

"We would see such a centre as mainly concerned with directing inquiries to other organisations, both government bodies and those in the private sector, where there are people with the necessary knowledge to help."

The cost of this centre would be met from Britain's budget for aiding developing countries — a total of £716m for 1978-79, which is expected to increase by 6 per cent annually for the next three years.

The transfer of skills through training programmes accounts for about one-third of the expenditure.

Vital

Developing nations needed the assistance of science and technology to grapple with their problems and help achieve social and economic development, Mr. Marten told the two-week conference attended by 77 Third World countries.

to discuss science and technology as a means to an end. Although development could not be achieved by this means alone, it was a vital contribution, he said.

Mr. Marten called for "freedom rather than for control," for "encouragement more than regulation," and especially for diversity, "if science and technology are to be effective tools for development."

Britain would be happy to see an increasing share of the multi-lateral overseas aid devoted to science and technology, if that was the wish of the recipient nations.

● The U.S. Government announced a $24m space programme of education and broadcasting by satellite for the developing countries. It also reported plans to create an international system of operators and users of satellite's capable of mapping natural resources from space.

Gatwick inquiry date set

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE GOVERNMENT'S public planning inquiry into the proposal to build a second passenger teminal at Gatwick Airport, Sussex, will start on November 27, at Crawley Town Hall. Mr. John Newey, QC, will be the inspector in charge.

The decision to hold the inquiry follows objections from environmental groups to the British Airports Authority's proposal which would raise the airport's passenger capacity from the 16m a year to 25m.

The terminal would mean Gatwick would become as busy by the mid-1980s at Heathrow, London's main international airport.

The British Airports Authority hsa claimed that the second terminal is essential if London's airports are to be able to cope with the passenger growth expected through the 1980s.

The authority says the second Gatwick terminal is essential and there must also be a fourth passenger terminal at Heathrow.

INTERNATIONAL CAPITAL MARKETS

Sonatrach to raise $500m

BY JOHN EVANS

ALGERIA'S State oil and gas company, Sonatrach, has awarded Citicorp International Group a mandate to arrange a $500m Eurocurrency financing.

The credit has been the subject of protracted negotiations between international banks and Algeria over the last few months. However, Algeria has now decided to provide a guarantee for the facility. This will be extended by Banque Algérienne de Développement.

The 10-year loan will carry a spread of 1 per cent over inter-bank rates throughout its life, with a 1 per cent management fee.

While the spread reflects a slight improvement for Algerian Euromarket risk, the management fee is higher than normal, bankers pointed out yesterday. The last major Algerian Euromarket financing carried a margin of around 1¼ per cent.

The proceeds of the credit will be used to meet Sonatrach's financing requirements for capital projects this year. This will include further hydrocarbons exploration, pipeline expenditures and financing for the LNG 3 natural gas complex.

The management group comprises the Arab Investment Company, Arab Petroleum Investments Corporation, Bank of Montreal, Bank of America, Barclays, Gulf International Bank, Midland, Société Générale in France and Sumitomo Bank.

Citicorp is agent bank, Bank of America will handle the placing memorandum and Bank of Montreal will run the loan books.

Elsewhere, Bank of Montreal has been given a mandate by the State and City of Rio de Janeiro to raise a total of $300m

Two tranches of $150m each are being launched, carrying the guarantee of the Republic of Brazil. Terms for both tranches are identical—12 years maturity with a spread of ¾ per cent throughout.

In Mexico, the six-year bullet credit at ¾ per cent for the United Mexican States has been increased in size to $600m from the original $200m. The credit was handled by Westdeutsche Landesbank.

AP-DJ adds from Paris: Mexico was the largest borrower from international banks in July with $1.4bn, bringing its total for the first seven months of the year to $4.4bn, according to the Organisation for Economic Co-operation and Development.

Other major borrowers last month included Turkey with $836m, South Korea ($789m), Yugoslavia ($437m) and Brazil ($410).

Overall international borrowing in July amounted to $9.35bn, bringing the total for the year so far to $59.86bn. International bank loans amounted to $37.8bn, and external bonds $22bn.

Swedish bank in U.S. move

NEW YORK — A. G. Becker and Co., agents for Svenska Handelsbanker, confirmed yesterday that the Swedish bank began issuing commercial paper in the U.S. market last week. The amount was not disclosed, although dealers recalled that the bank scheduled a $100m offering earlier this year which was later withdrawn.

Svenska Handelsbanken sold some commercial paper in the U.S. a year ago but discontinued the sales while the Securities and Exchange Commission studied the question of whether foreign banks were subject to the detailed disclosure requirements of the Investment Company Act of 1940.

In April the SEC permitted Australian Resources Development Bank to sell $30m of commercial paper in the U.S. and earlier this month exempted seven foreign banks from the Act, apparently clearing the way for a "substantial" influx of such banks into the market.

U.S. bank holding companies have issued commercial paper regularly and Citicorp holds a commercial paper auction each week.

Among the foreign banks which received approval were Banque Nationale de Paris, Crédit Lyonnais, Société Générale, Post-och Kreditbanken and Scandinaviska Enskilda Banken.

In addition, Barclays Bank International, Barclays Bank Ltd., Scandinavian Bank, Continental Bank of Canada, Banque Bruxelles Lambert and Postipankki have recently applied to the SEC for approval.

Commercial paper dealers said they expected foreign banks to issue between $1bn and $2bn initially, with that amount rising to about $5bn within a year. This compares with total commercial paper outstanding in the U.S. of about $102bn, including bank-related paper of $19bn, according to New York Federal Reserve Bank statistics.

Foreign banks have been looking at the U.S. commercial paper market for some time, but regulatory considerations prevented them from participating until now. The market provides an attractive alternative to the Eurodollar market as a source of funds for foreign banks, particularly as their involvement in the U.S. has grown.

Currently, the average rate for 90-day dealer-placed commercial paper is about 10.55 per cent compared with an average rate for Eurodollars of the same maturity of 11.5 per cent. Foreign banks may pay a slight premium, partly because they are new to the market, but the market still represents a major new source of funds.
Reuter

Fall in Eurodollar bond prices continues

By Nicholas Colchester

RISING short-term dollar interest rates continued to cause acute discomfort in the Eurodollar bond market yesterday. Prices in the market as a whole were off by only about ⅜ of a point, but there were some much larger falls in the quotations for poorly distributed recent issues.

The rate for six-month dollars was up to 11⅞ per cent. Investors in the Eurodollar bond market remain unimpressed by the tightening of U.S. credit. Dealers, meanwhile, are faced with the rising cost of carrying inventory. "This market is poised for panic," Mr. Stanley Ross of Ross and Partners, said succinctly.

Such conditions cast a pall over the chances for a mooted dollar issue for the Kingdom of Sweden. Nomura and Warburgs have tentatively scheduled this $100m offering for the end of the month, with 60 per cent earmarked for Japan and 40 per cent for Europe. Timing is complicated by an approaching election in Sweden in mid-September, but the political niceties could be academic with the market in this state.

Another dollar issue at stake is a convertible bond for Asahi Optical, due late next week. Details have not yet been decided by Dillon Read and Yamaichi, but it will probably be for $30m.

In other sectors, D-Mark bonds fell back a little to the level before the latest monthly calendar of about DM 750m was announced on Monday. The market is sound, but bankers foresee some argument as to whether yields for longer issues should now fall below the 7 per cent level.

Swiss Bank Corporation is planning a SwFr 150m issue 1989 for the World Bank. No terms are yet available. The subscription period will be September 4-7.

MALAYSIAN BANK LENDING

Central bank guidelines move closer to reality

BY WONG SULONG IN KUALA LUMPUR

MALAYSIAN FINANCIAL circles have generally welcomed the new lending guidelines announced recently by Tan Sri Ismail Ali, the governor of Malaysia's central bank, Bank Negara. The new guidelines, bankers say, are more in line with reality.

They simplify the implementation and monitoring of bank lending by cutting out much of the red tape associated with the old rules. Under the old guidelines, first announced in October, 1976 (and modified subsequently), commercial banks, merchant banks and finance companies, had to channel a certain percentage of their loans to what the Government considered to be the "priority sectors."

Commercial banks, for example, were required to direct at least 20 per cent of their net increases in loans since 1977 to the Bumiputra (Malay) Community, 16 per cent to small business enterprises, 10 per cent for housing, 20 per cent to manufacturing, and 10 per cent to agricultural food production.

Under the new central bank rules directives are based on total loans outstanding, and not on net increase in loans. As a result commercial banks are askedt o channel at least 17 per cent of their total olans outstanding as at June, 1979, to Bumiputras, 20 per cent to small enterprises, and 5 per cent to agriculture. No new guidelines were introduced for manufacturing and housing and banks are merely required to "maintain the existing level of lending as at June 30, 1979."

In relaxing the lending directives, Bank Negara feels that, as a whole, the Malaysian financial community is responding well ot its obligations under the new economic policy. While reiterating the central bank's flexibility in accommodating difficulties of banks in meeting their loan targets, Tan Sri Ismail stressed that he expected banks to play their part in achieving the new targets within the time given.

Stricter penalties would be imposed on defaulters.

Precedent suggests that the financial community should have little difficulty in meeting the new loan targets to Bumiputras, small enterprises, housing and manufacturing. Construction of residential houses is buoyant and is expected to remain so for at least another two years. Manufacturing activity is picking up.

Loans to Bumiputras last year rose by 664m ringgit to nearly

Although defaulters will meet with stricter penalties, the new lending guidelines laid down for Malaysia's banks are plainly flexible. The central bank is willing to accommodate any bank finding it difficult to meet loan targets. So far, say the authorities, the financial community in Kuala Lumpur has responded well

2bn ringgit ($927m), or 16.3 per cent of total bank loans. For the banking industry as a whole, increasing this to 17 per cent by the end of 1980 should pose few problems, particularly with the rapidly growing number of Bumiputra ventures. Equally the 20 per cent target for small businesses should not be difficult to fulfil.

The authorities have, to some extent, relaxed the definition of loans to small enterprises. Previously these loans were not allowed to exceed 150,000 ringgit to businesses not exceeding a fixed investment of 300,000 ringgit. Now, loans covered under this category have been increased to a maximum of 250,000 ringgit for enterprises with fixed investments up to 0.5m ringgit.

The biggest challange that the new guidelines pose for the banks is the loan target for agricultural food production. The central bank wants loans to this sector to be raised progressively from 5 per cent as at June 1980 to 10 per cent by December 1982, increasing at the rate of half of one per cent every six months. At the end of last year, agricultural loans totalled 870m ringgit, or 7 per cent of total loans. If loans to the forestry sector are deducted, the percentage would fall to 4.4 per cent.

The new target represents a scaling down compared to the previous requirement of 10 per cent of net increases in loans. To make it easier for the banks, the authorities have agreed to include food processing (previously classified under manufacturing) as "agricultural food production." Loans for food processing amounted to 270m ringgits last year.

Even so, most banks emphasise that they will have difficulty in meeting the targets set. They point out that, nowadays, not many large-scale agricultural projects are undertaken by the private sector. Foreign banks, in particular those with few branches, find it difficult to package agricultural loans.

But the central bank governor is adamant that banks should pay more attention to agriculture. He finds it "intolerable" that agriculture, the nation's biggest employer, biggest contributor to gross national product, and most depressed sector in the economy, should receive only 7 per cent of total loans.

He admits that central bank lending directives are not popular, but are necessary to fulfil national objectives. He would prefer financial institutions to operate without the guidelines. But only when the financial institutions "are playing the role expected of them," will he be in a position to dispense with lending regulations.

Further sales at Bankers Trust

BY STEWART FLEMING IN NEW YORK

BANKERS' TRUST, the major New York bank, which has announced plans to cut back sharply on its branch banking in order to concentrate its efforts on serving corporate customers and wholesale banking, yesterday announced that it has reached agreement in principle to sell a further 19 of its New York City branch offices.

The purchasers are Republic National Bank, part of the Trade Development Bank group, which is proposing to buy 11 offices with total deposits of around $140m, and Manufacturers Hanover Trust, the third largest New York bank, which is proposing to buy eight offices with deposits of $75m.

The move by Manufacturers Hanover is a further sign of mounting competition in the retail banking market among the city's leading banks. Citicorp, the largest New York bank, has been leading the way in trying to build up the profitability of its New York City branch banking network with heavy capital investment in these operations.

Bankers Trust announced earlier this month that it had signed agreements with three foreign-owned banks, Barclays Bank of New York, National Bank of North America (the National Westminster bank subsidiary in the U.S.), and Bank Leumi Trust of New York, the subsidiary of the large Israeli bank, for the sale of 55 branches with deposits of around $650m.

The sale of the assets by Bankers Trust is seen as contributing new capital to the bank, which, like many of its big competitors, it needs. It also saves the bank the capital it would need to invest in the retail operation in order to keep abreast of the intensifying competition.

Gain at Parker Hannifin

By Our Financial Staff

A STRONG final quarter at Parker Hannifin, which produces fluid systems and components, has lifted per share earnings from $3.05 to 3.75. This compares with recent forecasts of $3.65, with a further modest increase next year.

Total net for 1978-79 has jumped by 26.7 per cent to $50.2m, on sales 21.6 per cent higher at $846.4m. The final quarter brought in a 25 per cent gain in net earnings at $15.7m, or $1.12 a share, on sales 23.7 per cent up at $233.4m.

The group has indicated that order backlogs are substantially ahead of last year's levels and that further sales progress is likely next year.

Some 56 per cent of profits came from the industrial sector last year, with aerospace contributing 21 per cent and automotive fluid equipment turning in 24 per cent.

All sectors have done well this year, with aerospace activity particularly strong. But some slowing in the rate of business activity has been forecast for the summer and autumn period. However, further improvement in margins is thought to be likely.

Slowdown at Allied Stores

By Our Financial Staff

GROWTH in sales and earnings of Allied Stores, one of the largest department store groups in the U.S., showed a modest slowdown in the second quarter.

Earnings gained 18.8 per cent to $8.2m on sales 6.5 per cent higher at $466.5m. Share earnings rose from 34 cents to 40 cents.

This contrasts with the opening quarter of the year when earnings put on 30.2 per cent on sales 8.7 per cent higher. The company referred then to an improved product mix and closer controls on profit margins.

Half-year earnings are 25 per cent higher at $20.53m, of $1 a share, compared with $16.38m on sales only 16 per cent better at $928.1m, against $862.4m previously.

Analysts have predicted earnings of around $4.30 a share at the year end compared with $4.08 in the previous year.

Dominica to expropriate G & W land

SANTO DOMINGO—Sr. Francisco Pena Gomez, secretary general of the ruling Dominican Revolutionary Party, has said that the expropriation of Gulf and Western Industries' land in the Dominican Republic should be undertaken as soon as possible.

But he added that the New York concern's tourist business here, which consists of four major resort hotels, should be spared.

Sr. Gomez told the Dominican newspaper El Sol that sooner or later, the lands of Central Romana—where Gulf and Western's sugar refinery is located—and the gold and silver extracted by Rosario Dominicana S.A. and the nickel mined by Falconbridge at Loma La Peguera in Bonao, will be part of the patrimony of the Dominican people.

Rosario is a subsidiary of Rosario Resources Corporation, which said in New York that it does not seriously feel that the majority of the people in the Dominican Government believe this is in the best interests of the country. Officials of Falconbridge could not be reached for comment.

Sr. Gomez's remarks followed reports that Gulf and Western owes the Dominican Government millions of dollars from a sugar futures deal in 1974 and 1975.

In New York, Gulf and Western declined to comment on the various statements. The company's total assets in the Dominican Republic amount to about $250m. AP

AUSTRALIAN NEWS

Mystery buyer of Ampol increases shareholding

BY JAMES FORTH IN SYDNEY

THE MYSTERY buyer of shares in Ampol Petroleum stepped up its activity yesterday despite an agreement between Ampol and its major shareholder, Ansett Transport, which greatly reduces the possibility of a takeover of either company.

Over the past two weeks Ampol and Ansett have mounted share buying raids on each other, on and off the stock market, which ended following a truce with both companies owning 20 per cent of each other.

However, late last week a third party, operating through Sydney sharebroker Ord Minnett, began buying Ampol shares. On Monday, as part of their truce, Ampol and Ansett agreed not to act in a way detrimental to each other. The agreement provides that before either company can sell any of its shares, the other Board must have the chance to try to find buyers.

Ord's mystery buyer has not given up, however. On Monday Ord snapped up several million shares ahead of the truce announcement. There was a comparative lull on Tuesday, but yesterday Ord stepped up its offer price from 90 cents an Ampol share to $1.00 and made it known that it was seeking another 20m shares.

This would give Ord's client 20 per cent of Ampol, making it the equal largest holder with Ansett. Ord was matched in the market by Ampol's broker, J. B. Were, reportedly buying for "friends" of Ampol. Were ended the day picking up around 5m shares, giving the friends at least 10 per cent of Ampol, while Ord got about 2m, which would give its client around 7.5 per cent of the capital. Ord is keeping the identity of its client a close secret.

Upsurge at Tubemakers

BY OUR SYDNEY CORRESPONDENT

PIPE MANUFACTURER Tubemakers of Australia plans a one-for-five scrip issue following a 61 per cent jump in profit for the year to June 30. Earnings rose from A$11.38m to a record A$18.35m and easily outstripped the 16 per cent growth in sales, which rose from A$357m to A$414m.

The directors have declared a final dividend of 5 cents a share lifting the payout from 7.5 cents to 8 cents. However, the final will also be paid on shares created in the scrip, which effectively raises the total payout on a pre-scrip basis to 9 cents. Earnings a share on the existing capital jumped from 14.2 cents to 22.9 cents.

Domestic demand for Tubemakers' products "improved substantially" during the year, resulting in a better loading of manufacturing facilities. Export sales to the west coast of the U.S. and to the Republic of China continued at a high level, with the result that substantial grants have accrued to the group under the Export Expansion Grants Act.

● David Syme, publisher of The Age Newspaper, has raised its dividend after boosting profit by 20 per cent from A$3.0m to A$3.6m for the year 1978-79. The directors attributed the result to a record level of display advertising and satisfactory returns from subsidiary companies and investments.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on August 23

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	50	97¼	97⅞	−0⅛	−0⅜	10.38
Alex Howden XW 9½ 91	30	†80	80½	−1½	−1½	12.82
Australian Res. 9¾ 84	30	97¼	97⅞	−0⅛	−0⅛	10.25
Avco O/S Cap. 10½ 87	40	95⅝	96½	−0⅛	−0½	11.05
Bayer Int. F. XW 7¾ 89	200	83¼	83¾	+0⅛	−0⅛	10.02
Beneficial Fin. 9¾ 87	100	97¼	97¾	−0⅛	−0⅛	10.22
CECA 9¾ 84-99	50	93¼	93¾	−0⅛	−0⅛	10.18
CECA 10¾ 91	150	97¼	97¾	−0⅛	−0⅛	11.15
CECA 9¾ 99	125	93½	94	+3½	−3½	10.78
Canadian Pacific 9¼ 89	50	97¼	97⅞	−0½	−0½	10.13
Carter Hawley 9¾ 86	50	96¼	96⅞	−0⅛	−0⅛	10.45
Comalco Inv. E. 10½ 91	40	98⅝	99⅛	−0⅛	−0⅛	10.41
Continental Grp. 9¾ 86	100	97¼	97⅞	−0⅛	−0⅛	10.11
Dome Petroleum 10 94	50	95¼	96⅛	−0⅛	−0⅛	10.63
Dominion Bridge 10¼ 84	30	99¼	99¾	−0⅛	−0⅛	10.37
Dow Chem. O/S 9¼ 94	200	97¼	97¾	0	−0⅛	9.54
EIB 9⅞ 86	150	98⅞	99⅜	−0⅛	−0⅛	10.06
EIB 9⅞ 99	100	99½	100	+0⅛	−0⅛	10.16
EIB 9⅞ 87	150	100	100½	−0⅛	−0⅛	10.06
EIB 10 99	150	100⅛	100⅝	−0⅛	−0⅛	10.20
Export Dv. Cpn. 9.85 84	150	99⅞	100⅜	−0⅛	−0⅛	10.05
Export Dv. Cpn. 9½ 84	100	96½	97	−0⅛	−0½	10.16
Finland 9½ 86	100	97¼	97¾	+0⅛	−0⅛	10.01
Finland 9¾ 89	100	97⅞	98⅜	−0⅛	−0⅛	10.17
GTE Finance 9½ 84	50	96⅝	97⅛	−0⅛	−1⅛	10.37
GTE Finance 9¾ 89	55	94¼	95¼	−0⅛	−1	10.58
General Motors 9¾ 86	100	96⅝	97⅛	−0⅛	−0⅛	9.86
Gould Int. Fin. 9¾ 85	50	97¼	97¾	−0⅛	−0⅛	10.34
Hoechst Fin. XW 6¾ 89	125	78¼	78¾	−1½	−0⅛	10.22
Hudson Bay Co. 10 94	50	98½	98⅞	−0⅛	−0⅛	10.20
ITT Antilles 9½ 89	75	95⅝	95⅞	−0⅛	−0⅛	10.22
Kennecott Int. 9½ 86	100	94	94½	0	−0⅛	10.72
Manitoba 9½ 89	75	96⅛	96⅝	−0⅛	−0½	10.09
Nat. Des Telecm. 9½ 86	100	97⅛	97⅝	−0⅛	−0½	9.98
New Brunswick 9¾ 94	75	95½	96	−0⅛	−0½	10.31
Newfoundland 10 94	50	98¼	98⅞	−0⅛	−0⅛	10.17
Norsk Hydro 9⅛ 94	50	93¾	94¼	−0⅛	−0½	10.04
Norway 9¾ 84	150	99⅝	100⅛	−0⅛	−0½	10.02
Norway 9½ 84	150	97⅞	98⅜	0	−0⅛	9.99
Nova Scotia Pwr. 9¾ 89	50	96½	97	−0⅛	−0⅛	10.28
Occidental Fin. 10¼ 84	50	98⅞	99⅜	−0⅛	−0½	10.47
Orient Leasing 9½ 86	25	94⅞	95⅜	−0½	−0⅛	10.52
Pennwalt O/S F. 9¾ 84	25	97¾	98¼	−0⅛	−0½	10.28
Pepsico Cap. 9¼ 84	100	97½	98	−0⅛	−0½	9.86
Portland 10 84	50	97⅝	98⅛	+0⅛	+0⅛	10.58
Quebec Hydro 10 99	75	94¾	95¼	−0⅛	−0⅞	10.60
Redland Fin. XW 9½ 91	25	90	90¾	−0⅛	−0½	10.99
Sears Roebuck 9 82	150	97½	98	−0⅛	−0⅛	10.02
Statoil 9¾ 89	100	96⅝	97⅛	−0⅛	−0⅛	10.13
Stockholm 9¾ 94	50	99¼	99¾	0	−0⅛	10.07
Sweden 9¾ 89	100	97⅞	98⅜	−0⅛	−0½	10.05
Sweden 9½ 86	200	98¼	98¾	−0⅛	−0⅛	10.05
Sweden 9¾ 84	100	98½	99	−0⅛	−0⅛	10.08
Unilever NV 9¾ 87	100	96	96½	+0⅛	−0⅛	9.95
Warner-Lambert 9 84	100	96½	97	+0⅛	−0⅛	9.86

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 7½ 89	150	95½	96⅛	0	+0⅛	8.12
Asian Dev. Bk. 7¼ 89	100	98¼	99¼	−0⅛	+0⅛	7.39
Banco Desarrollo 7½ 86	100	94⅞	95⅜	0	−0⅛	8.28
Barclays O'seas 6¾ 89	100	98¼	98⅞	0	+0⅛	6.87
Brazil 7¾ 87	150	96¼	97½	−0⅛	−0⅛	7.77
Brazil 8 87	150	100	100½	−0⅛	−0⅛	7.95
CECA 7 91	150	98¼	98¾	−0⅛	+0⅛	7.19
Council of Eur. 7¼ 89	100	98⅞	99⅜	−0⅛	−0⅛	7.35
Denmark 5¾ 85	100	94⅞	95½	−0⅛	+0⅛	6.90
Denmark 6½ 89	100	94⅞	95½	+0⅛	0	7.26
EIB 6½ 91	200	94⅞	95⅜	−0⅛	−0⅛	7.17
EIB 7½ 89	200	100⅞	101⅜	−0⅛	−0⅛	7.31
Eletrobras-Brazil 7 87	100	94¾	94⅞	−0⅛	−2¼	8.00
Eurofima 6½ 89	100	98⅝	99⅛	0	+0⅛	6.64
Finland 6 83	150	98⅝	99⅛	0	−0⅛	6.26
Mitsubishi Chem. 6½ 84	70	100⅝	101⅛	0	−0⅛	6.21
New Zealand 6¾ 87	200	97¼	97⅞	0	−1⅛	6.68
Nippon Kokan 6½ 84	100	98½	99¼	−0⅛	−0⅛	6.78
Nippon Tel. & T. 5½ 87	100	93¾	93¾	−0⅛	−0⅛	6.63
Nordic Inv. Bk. 6¾ 86	60	95⅝	96⅛	0	−0½	7.02
Norges Komm. 7¾ 91	150	103	103½	−0⅛	−0⅛	7.33
Norway 6⅞ 84	200	99⅝	100⅛	0	−0⅛	6.21
Occidental 6¾ 90	150	94¼	94⅞	0	+0⅛	7.48
OKB 6½ 88	100	97¼	97⅞	−0⅛	+0⅛	6.85
OKB 6 87	40	94	95	0	−0⅛	6.95
Tokyo Elec. Pwr. 6½ 85	200	98¼	98¾	−0⅛	−0⅛	6.82
World Bank 6¾ 88	400	93¼	93¾	−0⅛	−0⅞	7.23
World Bank 7¾ 91	400	101¼	101¾	−0⅛	−0⅛	7.55

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	101	101¼	+0⅛	+0⅛	5.35
Asian Dev. Bank 3½ 94	100	84⅞	85¼	+0⅛	0	4.98
Aumar 5 89	60	101⅞	102⅛	+0⅛	+0⅛	4.74
Austria 3½ 93	100	89¾	90	−0⅛	−0⅛	4.47
Australia 3¾ 89	250	95⅝	95⅞	0	+0⅛	4.17
Bergen City of 4¾ 91	40	102⅝	102⅞	0	+0⅛	4.45
BNDE 5 89	75	95¼	95¾	+0⅛	+0⅛	5.60
Brazil 4½ 88	100	95¼	96	+0⅛	+0⅛	4.81
Canada 3¾ 89	300	96⅝	96⅞	0	+0⅛	4.04
Council of Eur. 4¼ 90	100	100¼	100⅝	+0⅛	+0⅛	4.22
EIB 4¼ 91	100	100⅞	100⅝	+0⅛	+0⅛	4.43
Elet. de France 4¾ 89	100	†100½	100¾	0	0	4.30
Heron 4¾ 89	35	95½	95⅞	−0⅛	−0⅛	4.83
ICI Fin. NV 3¾ 94	230	†89¼	89½	+0⅛	+0⅛	4.51
New Zealand 3¾ 94	120	89½	89¾	−0⅛	0	4.49
Nordic Bank 5 89	45	103¼	103⅞	−0⅛	+0⅛	4.52
OKB 3¾ 91	100	91⅝	91⅞	+0⅛	+0⅛	4.69
Pfand Ost. Lande 4 90	40	94⅝	94⅞	−0⅛	0	4.63
Philippines 4¾ 89	60	97	97½	+0⅛	+0⅛	5.13
Spain 4 91	100	93⅝	93⅞	0	0	4.71
Stewage 4¾ 91	60	103	103¼	+0⅛	+0⅛	4.41
Voest-Alpine 4¾ 89	90	103¼	103⅝	+0⅛	+0⅛	4.20
World Bank 4¾ 89	100	103¼	103⅝	+0⅛	0	4.18

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	94⅞	95⅜	+0⅛	−0⅛	7.09
Australia 6½ 88	20	90¾	91½	+0⅛	−0⅛	8.02
EIB 7¾ 89	12	98⅛	98⅞	0	0	7.97
Finland 5.6 83	10	93	93½	0	−0⅛	7.55
Finland 6.8 88	10	90¼	91	−0⅛	−0⅛	8.43

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Nordic I. Bk. 8 84 SDR	20	96½	97⅛	−0⅛	−0⅛	8.85
Avco Fin. 10½ 85 C$	25	94⅞	95½	−0⅛	−0⅛	11.30
Ex. Dev. Cpn. 10 84 C$	50	97⅝	98⅛	−0⅛	−0⅛	10.57
Fst. Can. Inv. 10 84 C$	30	98⅝	98⅞	−0⅛	−0⅛	10.32
Hudson Bay 10½ 89 C$	60	98½	99	0	−0⅛	10.69
Quebec 10½ 86 C$	50	96	96½	−0⅛	−0⅛	11.05
R. Bk. Canada 10 86 C$	40	99	99½	−0⅛	−0⅛	10.35
R. Bk. Canada 10 84 C$	40	94	94½	−0⅛	−0⅛	10.78
Copenhagen 8¾ 91 EUA	25	97¾	98¼	−0⅛	−0⅛	8.48
Komm. Inst. 7½ 93 EUA	15	89⅝	94⅝	0	0	8.20
SDR-France 8½ 94 EUA	22	99⅛	99⅝	+0⅛	+0⅛	8.56
SOFTE 9¾ 89 EUA	40	94½	95	0	−0⅛	8.97
Algemene Bk. 6¾ 83 Fl	75	92½	93	−0⅛	0	8.69
CFE Mexico 7¾ 83 Fl	75	96½	97	−0⅛	−0⅛	8.75
EIB 7¾ 85 Fl	75	93¼	93¾	0	−0⅛	8.65
Ned. Middbk. 8¾ 84 Fl	75	100⅝	101⅛	−0⅛	0	8.00
New Zealand 6¾ 84 Fl	75	93¾	94¼	−0⅛	−0⅛	8.33
Norway 8¼ 84 Fl	100	99⅝	100⅛	−0⅛	−0⅛	8.19
Elf Aquitaine 9¾ 88 FFr	150	90¾	91½	−0⅛	−0⅛	11.32
Euratom 9¾ 87 FFr	150	92	93	−0⅛	−0⅛	11.23
Norway 9½ 84 FFr	200	93⅝	94½	0	+0⅛	10.94
PSA Peugeot 9¾ 87 FFr	175	91	92	−0⅛	−0⅛	11.48
Renault 9¾ 85 FFr	100	93⅝	94¼	0	+0⅛	11.25
Saint-Gobain 9¾ 86 FFr	130	91½	92½	−0⅛	−0⅛	11.53
Solvay et Cie 9¾ 87 FFr	125	91½	92½	−0⅛	−0⅛	11.37
Total Oil 9¾ 87 FFr	150	89¾	90½	0	0	11.39
Citicorp 10 93 £	20	90⅛	91¼	+0⅛	0	11.31
EIB 9¾ 88 £	25	90⅞	91⅝	0	0	11.39
EIB 11½ 91 £	25	96½	96⅞	+0⅛	+0⅛	12.08
Finance for Ind. 13 91 £	15	102¼	103¼	0	+0⅛	12.44
Fin. for Ind. 12½ 89 £	30	101	101½	+0⅛	+0⅛	12.28
Gen. Elec. Co. 12½ 89 £	50	101¼	101⅞	+0⅛	+0⅛	12.17
Indonesia 8¾ 91 KD	7	†97½	98½	0	0	9.03
Mitsubishi 7½ 84 KD	10	†97½	98	0	−0⅛	8.07
Norges Kom. 7½ 89 KD	12	†96½	97	0	0	7.98
Occidental 8½ 91 KD	7	†97½	98½	+0⅛	+2	8.50
Euratom 8 87 LuxFr	500	96⅞	97⅝	+0⅛	+0⅛	8.58
Norges Kom. 8 86 LuxFr	500	95¾	96¾	0	−0⅛	8.73
Oslo, City of 8 89 LuxFr	500	97½	98½	0	+0⅛	8.30
Solvay Fin. 8 85 LuxFr	500	96½	97½	+0⅛	0	8.63

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
BFG Fin. Co. 5½ 89	0¼	98½	98⅞	11/1	11	11.14
BNDE 6 89	0⅝	96⅝	97	21/9	11¼	11.51
Banco di Roma Int. 6 87	0½	98½	99	26/10	11.19	11.33
Bco. Nac. Argent. 7 86	0¾	97½	98	22/9	11½	11.76
Banco Prov. BA 7½ 86	0½	98½	99¼	12/8	11	11.13
Banco Urquijo 6 86	0½	97⅞	98⅜	21/9	11½	11.72
Bank of Tokyo 5½ 93	0¼	98½	99¼	16/10	11¼	11.88
Bq. Ext. d'Alg. 7½ 85	0¾	95½	95⅞	2/11	11⅞	12.43
Bque. Indo Suez 5¾ 89	0¼	98½	99	11/1	11	11.34
Banque Sudameris 6 87	0¼	97	97½	11/1	11⅛	11.44
BNP 5½ 91	0¼	99	99½	22/2	11¼	11.48
Citicorp O/S Fin. 6 94	‡0¼	99⅞	100	6/9	10.69	10.71
Citicorp O/S 83	‡0	99¾	99⅝	23/2	—	—
Creditanstalt 5½ 91	‡0¼	98½	99¼	14/9	10⅞	10.98
GZB 5½ 89	‡0¼	98½	99	1/11	11.44	11.58
Gotabanken 6 88	0⅛	98⅞	99⅛	15/5	11¼	11.53
Ind. Bk. Japan 5½ 85	0⅛	99½	99⅞	1/12	10.94	10.98
Jugobanka 8 89	0⅝	95½	96⅛	23/11	11⅞	12.34
LTCB Japan 5¾ 85	0¼	99⅝	100⅛	9/10	11⅝	11.64
LTCB Japan 5½ 89	0¼	98⅞	99⅜	7/12	11⅛	11.22
Mfrs. Han. O/S 5¾ 94	‡0¼	99¼	99½	23/8	11.19	11.24
Nacional Fin. 6¾ 88	0¼	98½	98⅞	25/1	11½	11.68
Nat. West. 5¾ 94	0¼	98⅝	98⅞	11/10	11	11.18
Nippon Credit Bk. 5½ 85	0¼	99	99½	22/12	10.94	11.02
Nippon Credit Bk. 6½ 86	0¾	97⅝	98⅛	12/1	10⅞	11.08
Petro Mexicano 7 84	0¾	99½	99¾	24/1	11.44	11.51
Privredna Banka 8 86	0⅝	98¼	98¾	20/12	11.58	12.10
Royal Bank Scot. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sogenal [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Texas Int. Airways [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trade Dev. Fin. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TVO Power Co. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Utd. Overseas Bk. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bq. E. d'Alg. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Aktiebolag [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ciba-Geigy F. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Credit Suisse [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Esselte [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Honda Motor [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LPC International [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nitto Elec. Ind. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Union Bank Switz. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fujitsu [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Kansai Elec. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marudai Food [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sharp Corp. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tokyo Elec. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tokyu [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* No information available—previous day's price. † Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Singapore bank lifts earnings sharply

By Georgie Lee in Singapore

ONE OF THE big four Singapore banks, United Overseas Bank, reports a near one-third rise in half-year profits and has decided to make a one-for-ten scrip issue.

Consolidated profit before tax and after provisions for diminution in value of assets and contingency reserves was S$41.7m (U.S.$19.35m) compared to S$31.7m a year earlier. For the bank itself, pre-tax profit was 30.2 per cent higher at S$23.8m.

UOB said that the profits of the bank and the group do not include the S$16.1m surplus, other than a sum of S$894,890, arising from its sale of 4.47m shares in Singapore Finance to Hong Leong Finance.

The group expects profits for the whole of this year to be significantly higher than for 1978 and will maintain its dividend on the enlarged capital. The 1979 interim payment is 5 per cent.

UOB's public listed insurance subsidiary, United Overseas Insurance, also reports a sharp improvement in profit. Pre-tax surplus for the six months ended June, rose by 40 per cent to S$1.9m. UOI, which made its debut on the Singapore Stock Exchange last year, is 56 per cent owned by UOB, 6.6 per cent by Sun Alliance and London Insurance and 3.3 per cent by Commercial Union Assurance. The remaining shares are held by the public.

Champagne shares change hands

By David White in Paris

AN IMPORTANT change in the structure of the French champagne business has begun to take shape with the sale of a blocking minority interest in the Pommery et Greno group. Pommery was the subject of a frustrated attempt by Moet-Hennessy, the giant of the industry, to acquire part of the capital in 1974.

The Remy Martin brandy group, which moved in when Moet-Hennessy's bid was blocked, and the Polignac family, which fought for Pommery's independence, have between them sold 39 per cent of the shares to a holding company, Groupe d'Entreprises Franco-Americaines. The deal is worth about FFr 104m ($24m).

The Polignac family, which ceded an 18 per cent share, retains 14 per cent and the chairmanship, but GEFA becomes the main shareholder.

Pommery had a turnover of FFr 93m last year. GEFA plans to integrate it with the William Lanson champagne business, in which it has a majority interest. William Lanson has an annual turnover of about FFr 120m.

This operation, to be carried out through an increase in Pommery's capital, will form a front-rank group behind Moet-Hennessy and the number two concern G. H. Mumm. It is expected to be roughly on a par with the Veuve Clicquot-Canard Duchene group, currently number three, and to be heavily geared to export.

Estel moves back into the black in second quarter

BY CHARLES BATCHELOR IN AMSTERDAM

DUTCH-GERMAN steel group Estel moved out of the red in the second quarter of 1979 although the considerable deficit of the preceding quarter meant that the company still made a loss for the first six months. A further modest profit is expected for the current three-month period.

The sharp rise in the cost of energy and raw materials is a source of concern, however, and price increases which at least match the higher costs are absolutely essential, the company warned.

The pre-tax result improved in line with expectations to show a profit of Fl 10m ($5m) in the quarter compared with a loss of Fl 14.2m in the same 1978 period. Allowing for the large first quarter loss, which resulted from a strike in the German steel industry, and the severe winter, the first half result was a loss of Fl 61.8m. This compares with a loss of Fl 134.7m in the 1978 first half. Turnover rose by 13.6 per cent net to Fl 3.16bn ($1.58bn) compared with the same quarter of last year and was 16.5 per cent higher than in the first 1979 quarter.

Operating profits rose 61 per cent to Fl 39.9m in the second quarter over the same 1978 period. Estel was unable to pass on in prices the sharply higher costs of energy and raw materials. The operating result represented 2.8 per cent of sales compared with 2 per cent in the same 1978 quarter and 0.4 per cent in the first 1979 quarter.

A rise in steel production and deliveries meant that this division made a positive contribution to the result. Deliveries and turnover in the steel processing division were also higher. Trading turnover rose strongly, largely due to the rise in deliveries by steel trading companies in Germany, and the result also improved. The diversifications division also made a profit due to the improved result of aluminium operations and higher earnings by minority participations.

Pig iron production rose to 2.44m tonnes in the quarter from 2.12m in 1978, while crude steel production increased to 3.03m tonnes from 2.77m. Estel made 2.43m tonnes of rolled steel products compared with 2.27m last year

Squeeze on margins at China Engineers

By Our Financial Staff

ESCALATING costs have prevented The China Engineers from capitalising on a 43 per cent jump in turnover to HK$ 737m (US$143.8m) in the year to June 30, 1979. The group pre-tax profit eased 6.4 per cent to HK$ 56.8m.

Its 54 per cent owned food subsidiary, Amoy Canning, experienced a similar performance pattern with turnover rising 25 per cent to HK$ 97.5m while pre-tax profits slid 5.6 per cent to HK $11.1m.

Sime Darby, which owns 74.2 per cent of the China Engineers' stock, has taken the slight profit setback in its stride. It said that if a HK$5.3m non-recurring profit relating to the disposal of assets of a subsidiary in 1978 is deducted from the prior year's result the 1978/79 pre-tax profit is marginally better.

Uddeholm on recovery path

BY VICTOR KAYFETZ IN STOCKHOLM

INTERIM figures from Uddeholm, the Swedish special steel and power generating group, indicate that the company is on line to achieve its first full-year profit for three years.

A year ago it reported a SKr 188m (U.S.$44.5m) loss at the half-way mark but yesterday the group said it had just about broke even in the six months to June 30, 1979.

Group invoicing for the first six months of 1979 was SKr 1.62bn, but this included SKr 415m from Graenges NYBY, a stainless steel company 90 per cent of whose shares Uddeholm acquired last month from Sweden's Graenges Group. The deal has been made retroactive to January 1.

Subtracting the sales of Graenges NYBY, Uddeholm's turnover of SKr 1.21bn in the first half represented an 18 per cent increase from the sales of corresponding units during January-June 1978. The latter figure does not include the forest product and chemical interests, which were sold to Billerud in August 1978. Uddeholm predicts a 1979 turnover of SKr 3.3bn.

The group says it is also making retroactive to January 1 the transformation last month of its strip steel division into a new company, Uddeholm Strip Steel, owned 65 per cent by Uddeholm and 35 per cent by another Swedish steelmaker, Sandvik.

Uddeholm plans to issue a detailed half-year report, also presenting the new financial structure of the group, towards the end of September.

* * *

THE SWEDISH investment company Promotion has reported a 20 per cent rise in pre-tax profits to SKr 63.8m (US$15.1m) for the year ended March 31. Turnover of its 11 operating subsidiaries totalled SKr 1.56bn an increase of about 15 per cent after adjustments for changes in group composition. The Board recommended increasing the dividend to SKr 11.50 a share from SKr 10.50 for a total payment of SKr 10.9m.

Adjusted earnings per share rose by SKr 6 to SKr 37, the annual report states. The subsidiaries, most of them manufacturers of engineering products, showed a 32 per cent jump in pre-tax profit to SKr 58.5m, while earnings from Promotion's investment portfolio rose only slightly from SKr 6.1m to SKr 6.3m. The group predicts a pre-tax profit of SKr 80-100m for the current financial year.

German retailer cuts losses

BY JONATHAN CARR IN BONN

HERTIE, one of West Germany's leading department store groups, cuts its loss to DM 59.5m ($32.5m) last year from DM 89.6m in 1977. But it remains unclear whether the recovery will continue this year.

Like other major German stores Hertie has been feeling the competitive pressure from specialist shops on the one hand and the expansion of hypermarkets no city outskirts on the other. Last year group turnover rose by only 0.3 per cent to DM 6.8bn, compared with an 0.6 per cent increase in 1977, while the number of staff dropped by 5.7 per cent to 49,356—the fifth year in succession that there have been staff cuts.

Two stores in Essen and Hannover, which contributed markedly to the overall losses of 1977 and 1978, have now been closed. But their results will also affect this year's figures.

While the group's rationalisation measures should, Hertie says, bring a further move towards profitability in the medium term, both the rise in energy costs and the raising of Value Added Tax in July will make an impact on this year's results. Investment in 1978 totalled DM 193m.

* * *

BUSINESS volume at Deutsche Genossenschaftsbank rose by 11.7 per cent in the first six months of 1979 but earnings on interest eased as a result of narrowing margins. The service sector benefited from higher earnings in foreign business and there were positive developments in foreign exchange dealings.

Total liabilities increased by DM 4bn, or 14 per cent, to DM 32.2bn ($17.6bn) in the six months of 1979. Total group liabilities rose 21.9 per cent to DM 53.5bn while group business volume davanced 19.6 per cent to DM 57.4bn. The growth for the group is partly due to the incorporation f DG Bank International of Luxembourg and DG Capital Company of Hong Kong.

Credit volume stood at a total of DM 21.3bn on June 30, up DM 1.9bn or less than 10 per cent from a year ago. Of this total, about DM 600m was added in the first half of 1979. The mid-year report explains that domestic business concentrated on the expansion of long-term loans to the regional central banks.

Foreign credit volume for the group expanded by more than one-third to around DM 5.8bn. Foreign commercial transactions, particularly letters of credit, showed "a positive development."

Danish chemicals group experiences setback

BY HILARY BARNES IN COPENHAGEN

SUPERFOS, THE Danish chemicals group, reports first half earnings down from DKr 156m to DKr 110m ($20.8m) and for the whole year expects profits to emerge considerably below the exceptionally good result in 1978.

Earnings have been affected by slower deliveries to the road construction business, lower fish meal prices and fish supply shortages. The market for fertilizers was favourable with sales up from 672,000 tonnes to 718,000 tonnes.

Lower earnings are also reported by DSDS the Danish shipping company, for its half-year. Labour disturbances in UK ports affected freight earnings, while a weakening of the market for passenger travel to Norway and the UK affected earnings on these routes. Earnings by the company's Mediterranean passenger services were adversely affected by political disturbances in Spain.

The company said 1979 group earnings will probably be lower than last year especially as a result of a deterioration on earnings by the groups two shipyards.

● Dansk-Fransk shipping company is to suspend payments to creditors. The company, which is one of Denmark's oldest, has been in financial trouble for the past year.

Hong Kong link for AGF

PARIS — AGF Reassurances, a subsidiary of the French insurance group Assurances Generales de France (AGF) has acquired an 3.25 per cent shareholding in East Point Reinsurance Company of Hong Kong.

East Point, which until recently had lain dormant, is being revived with an initial capital of HK$30m, to be increased at a later date to HK$50m, an official of the French company said yesterday.

The major shareholders in East Point are the Hongkong and Shanghai Banking Corporation, Jardine Matheson, and the British insurance broker C. T. Bowring. Together they control 50.5 per cent of East Point.

The move is AGF's second operation in Hong Kong. The group recently acquired a 15 per cent interest in Sun Hung Kai Insurance, a subsidiary of Sun Hung Kai Finance.

AP-DJ

Profit at Korf but no payout

By Our Financial Staff

THE KORF group of steel and engineering companies expects a 50 per cent jump in group turnover to more than DM 1bn (US$545.9m) and its steel making operations are likely to show a profit for the first time in four years in 1979.

But outside shareholders in the largely family owned company will not get a dividend. "A dividend cannot be paid until carried forward losses totalling DM 42.9m at the end of 1978 are covered," Mr. Korf, the managing Board chairman said.

COMPANY NOTICES

McCARTHY GROUP LIMITED
(Incorporated in the Republic of South Africa)
NOTICE TO SHAREHOLDERS
PRELIMINARY PROFIT ANNOUNCEMENT AND DIVIDEND DECLARATION

The unaudited group profit for the year ended 30 June 1979 with comparative figures for the previous year, is as follows:

	1979 Unaudited R000	1978 Audited R000
Group operating profit	9 923	8 380
Less: interest	3 241	3 423
taxation	2 771	2 510
minority interest	264	267
Group Net Profit	3 647	3 180
Issued ordinary shares	16 987 415	16 987 415
Earnings per ordinary share (after tax and preference dividends)	21.46	18.66
Dividends declared for the year.		
Interim ordinary	3.5c	3.0c
Final ordinary	4.5c	4.5c

During the year under review, total vehicle sales by dealers were only 1.5% ahead of the previous year with sales by our group showing a corresponding increase.

Group turnover for the year increased by 15% but, as a result of extremely competitive trading conditions, there was a decline in the gross profit margin on new vehicle sales. Earnings per share rose by 15% compared with the previous year.

A comprehensive report concerning the group's trading activities will be contained, as usual, in the Chairman's review and the report of the directors to be issued at the end of September 1979.

Final Ordinary Dividend No. 77

NOTICE IS HEREBY GIVEN that the final ordinary dividend No. 77 at the rate of 4.5 (four comma five) cents per share has been declared by the directors for the year ended 30 June 1979 payable to holders of ordinary shares registered in the books of the company at the close of business on 21 September 1979.

The dividend is declared payable in the currency of the Republic of South Africa and dividend warrants will be posted in South Africa to all shareholders on or about 19 October 1979.

For the purpose of establishing the shareholders entitled to participate in this dividend, the transfer register of the company will be closed from 22 September 1979 to 28 September 1979, both days inclusive. Shareholders are advised that any change of address and/or dividend instructions must be lodged with the transfer secretaries on or before 21 September 1979 at their address given below.

In terms of the South African Income Tax Act 1962 (as amended), the Non-Resident Shareholders' Tax of 15% will be deducted by the company from dividends payable to shareholders whose addresses in the register of members are outside the Republic of South Africa.

By Order of the Board:
S. J. CLOUSTON, F.C.I.S.,
Secretary.

Registered Office:
1101 Nedbank Circle,
577 Point Road,
DURBAN.
17 August 1979.

Transfer Secretaries and Certification Office:
Hill Samuel Registrars (S.A.) Limited,
P.O. BOX 62318, MARSHALLTOWN,
TRANSVAAL, 2107.

TELEFONAKTIEBOLAGET L M ERICSSON

9¼% BONDS 1991

S. G. WARBURG & CO. LTD., announce that the instalment of bonds for a nominal value of U.S.$1,100,000 have been purchased for redemption on 15th September, 1979.

U.S.$30,400,000 nominal bonds will remain outstanding after 15th September, 1979.

30, Gresham Street,
London EC2P 2EB.
23rd August, 1979.

BANQUE NATIONAL DE PARIS

Floating rate note issue of USD 125 million February 1979/91

The rate of interest applicable for the six-month period beginning 22nd August 1979 and set by the reference Agent is 11 11/16% annually.

TRAVEL

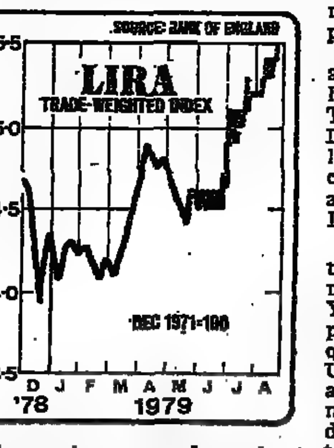
EXHIBITIONS

CURRENCIES, MONEY and GOLD

Dollar and pound firm

Foreign exchange trading was very quiet yesterday, with the most noteable feature a large order out of the Far East to buy dollars and sell Japanese yen. The yen/dollar rate was the only one to show any real movement during the day, ranging between Y217.70 and Y219.80, before closing at Y219.45, compared with Y217.80 previously.

The U.S. currency remained very firm, despite the sharp rise in the price of gold. It closed at DM1.8315 against the D-mark, compared with DM1.8325 previously, and was unchanged at SWFr 1.6595 in terms of the Swiss franc. The dollar's trade-weighted index, as calculated by the Bank of England, rose to 84.8 from 84.7.



Sterling's index, on Bank of England figures, rose to 70.8 from 70.6, after standing at 70.7 at noon and in early trading.

The pound opened at $2.2170-2.2180, and traded within a very narrow range of $2.2160 and $2.2205, before closing at $2.2180-$2.2190, a rise of 80 points on the day.

FRANKFURT — The Bundesbank did not intervene when the the dollar was fixed at DM 1.8310 against the D-mark, compared with DM 1.8323 previously. Trading was quiet, with the U.S. currency moving within a narrow range before the fixing. Little change is expected in the next few days, with most of the interest concentrated on the dollar/yen rate yesterday morning. In the next few days several figures are expected, including the West German July trade figures and the U.S. July consumer price index. The U.S. trade figures will be published early next week, and any of these may shake the market out of the present doldrums.

MILAN—The lira improved against all currencies except the Irish punt at yesterday's fixing. The dollar fell to L817.45 from L818.80, and showed little change later in the day. Sterling declined to L1,812.25 from L1,816, and the D-mark to L446.56 from L446.92.

TOKYO—The dollar continued to rise against the yen in moderate trading, closing at Y217.92½, compared with Y217.65 previously. Trading was very quiet i nthe morning, with the U.S. currency between Y217.70 and Y217.80, but the dollar moved up in the afternoon on demand for import settlements, touching a high point oc Y217.95.

ZURICH—Japanese banks in Europe continued their dollar buying in early trading, with the U.S. currency moving up to Y218.50 from Y217.65 at the opening. The market was generally quiet however, with no sign of intervention by central banks, but amid suggestions that some operators may have switched from currencies into gold encouraged by the sharp rise in the metal's value. The dollar stood at SwFr 1.6580 at mid-morning, compared with SwFr 1.6575 at the opening, and SwFr 1.6595 at the Tuesday close.

THE POUND SPOT AND FORWARD

Aug. 22	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2160-2.2205	2.2180-2.2190	0.63-0.53c pm	3.14	1.45-1.35 pm	2.52
Canada	2.5825-2.5900	2.5880-2.5880	0.60-0.50c pm	2.55	1.37-1.27 pm	2.04
Nethlnd.	4.45-4.48	4.46¾-4.46¼	2¼-1¾c pm	5.04	5¾-4¾ pm	4.71
Belgium	64.90-65.15	64.98-65.08	17-7c pm	2.21	40-30 pm	2.15
Denmark	11.68½-11.72	11.70½-11.71½	¼ore pm-1½ dis	-0.51	1½-3½ dis	-0.85
Ireland	1.0775-1.0800	1.0782-1.0792	30-40p dis	-3.88	83-103 dis	-3.63
W. Ger.	4.05-4.08	4.05¾-4.06¾	3-2pf pm	7.38	7½-6½ pm	6.89
Portugal	108.75-109.50	109.05-109.35	20-70c dis	-4.95	155-265 dis	-7.82
Spain	146.00-146.80	146.40-145.90	120-170c dis	-11.88	450-550dis	-13.85
Italy	1,810-1,818	1,812½-1,813½	3-1lire pm	1.32	3½-6½ dis	-0.99
Norway	11.15-11.18	11.16¾-11.17¾	4¾-2¾ore pm	3.63	9-7 pm	2.80
France	9.43½-9.48½	9.44½-9.45¾	2½-1½c pm	2.54	4½-3½ pm	1.75
Sweden	9.36½-9.39½	9.38-9.39	2½-¼ore pm	1.92	4.2 pm	1.28
Japan	480-490	486½-487½	3.40-3.10y pm	8.01	9.20-8.90 pm	7.44
Austria	[illegible]	29.65-29.70	25-15gro pm	8.09	57-47 pm	7.01
Switz.	3.66½-3.70	3.67½-3.68½	4¾-3¾c pm	12.23	11¾-10¾ pm	12.09

Belgian rate is for convertible francs. Financial franc 67.45-67.55c pm. Six-month forward dollar 2.43-2.38c pm, 12-month 4.35-4.25c pm.

THE DOLLAR SPOT AND FORWARD

Aug. 22	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2160-2.2205	2.2180-2.2190	0.63-0.53c pm	3.14	1.45-1.35 pm	2.52
Ireland†	2.0520-2.0575	2.0550-2.0575	1.26-1.16c pm	7.06	3.30-3.15 pm	6.27
Canada	1.1663-1.1675	1.1672-1.1675	par-0.02c dis	-0.10	0.04-0.05dis	-0.15
Nethlnd.	2.0090-2.0120	2.0100-2.0120	0.37-0.27c pm	3.29	1.16-1.06 pm	3.80
Belgium	29.305-29.33	29.315-29.33	1.0-2.5c dis	-0.72	2.0-3.5 dis	-0.38
Denmark	5.2745-5.2790	5.2770-5.2785	1.30-1.80ore dis	-3.30	4.30-4.80dis	-3.45
W. Ger.	1.8292-1.8320	1.8310-1.8320	0.69-0.59pf pm	4.13	2.22-2.12 pm	4.74
Portugal	49.13-49.27	49.17-49.27	25-35c dis	-7.31	80-120 dis	-8.13
Spain	66.02-66.06	66.02-66.04	80-100c dis	-16.36	270-300dis	-17.26
Italy	817.30-817.70	817.40-817.70	1.50-1.80lire dis	-2.50	6.50-7.25dis	-3.36
Norway	5.0290-5.0355	5.0345-5.0355	0.50ore pm-par	0.60	0.70-0.20 pm	0.38
France	4.2585-4.2625	4.2610-4.2625	0.23-0.28c dis	-0.73	0.75-0.85dis	-0.75
Sweden	4.2250-4.2305	4.2280-4.2295	0.30-0.50ore dis	-1.13	1.20-1.40dis	-1.22
Japan	217.70-219.60	219.40-219.50	0.95-0.80y pm	4.8	2.80-2.65 pm	4.9
Austria	13.37-13.389	13.384-13.389	5.20-4.70gro pm	4.46	16.00-14.50pm	4.56
Switz.	1.6570-1.6597	1.6590-1.6597	1.32-1.27c pm	9.36	4.09-4.00 pm	9.80

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

August 21	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.585541	0.622382
U.S. $	10½	1.29873	1.37920
Canadian $	11¾	1.51528	1.60608
Austria Sch	3¾	17.3887	18.4508
Belgian F	9	38.1307	40.4743
Danish K	8	6.85600	7.28079
D Mark	6	2.37664	[illegible]
Guilder	7	[illegible]	[illegible]
French Fr	9½	5.53681	[illegible]
Lira	12	1063.54	[illegible]
Yen	5¼	282.344	300.385
Nrwgn. K	7	6.53975	6.94426
Spanish Pes.	8	85.7461	91.1099
Swedish Kr.	7	5.49253	5.83429
Swiss Fr.	1	2.15459	2.28808

CURRENCY MOVEMENTS

Aug. 22	Bank of England Index	Morgan Guaranty changes %
Sterling	70.8	-34.5
U.S. dollar	84.8	-8.5
Canadian dollar	80.8	-17.0
Austrian schilling	143.3	+19.7
Belgian franc	[illegible]	[illegible]
Danish kroner	[illegible]	[illegible]
Deutsche mark	[illegible]	[illegible]
Swiss franc	[illegible]	[illegible]
Guilder	[illegible]	[illegible]
French franc	[illegible]	[illegible]
Lira	56.5	-48.8
Yen	130.5	+28.9

Based on trade-weighted changes from Washington agreement, December, 1971 (Bank of England Index=100).

OTHER MARKETS

August 22	£	$		Note Rates
Argentina Peso	3101-3181	1400-1405	Austria	29-30
Australia Dollar	1.9645-1.9745	0.8855-0.8900	Belgium	67-68
Brazil Cruzeiro	56.82-59.82	25.50-26.95	Denmark	11.65-11.80
Finland Markka	8.46-8.47	3.8136-3.8175	France	9.40-9.55
Greek Drachma	80.519-82.460	36.30-37.15	Germany	4.00-4.10
Hong Kong Dollar	11.34-11.36	5.1100-5.1130	Italy	1,790-1,840
Iran Rial	157.08-168.06	70-74	Japan	480-490
Kuwait Dinar (KD)	0.607-0.617	0.2760-0.2761	Netherlands	4.40-4.50
Luxembourg Frc.	64.98-65.08	29.31-29.33	Norway	11.10-11.25
Malaysia Dollar	4.7770-4.7880	2.1665-2.1575	Portugal	105-110
New Zealand Dlr.	2.1905-2.2005	0.9870-0.9915	Spain	145-148
Saudi Arab. Riyal	7.39-7.49	3.3555-3.3560	Switzerland	3.63-3.73
Singapore Dollar	4.7730-4.7840	2.1545-2.1555	United States	2.21½-2.23
Sth. African Rand	1.8520-1.8620	0.8346-0.8390	Yugoslavia	43-45

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 22	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.4582	40.4698	+2.56	+1.35	±1.53
Danish Krone	7.08592	7.28557	+2.82	+1.61	±1.635
German D-Mark	2.51064	2.52752	+0.67	-0.54	±1.1325
French Franc	5.79831	5.88131	+1.43	+0.22	±1.35
Dutch Guilder	2.72077	2.77580	+2.02	+0.81	±1.5075
Irish Punt	0.662638	0.671503	+1.35	+0.14	±1.665
Italian Lira	1148.15	1128.23	-1.73	-1.73	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

August 22	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.219	4.063	486.9	9.453	3.680	4.465	1813.	2.587	65.05
U.S. Dollar	0.451	1.	1.831	219.5	4.261	1.659	2.013	817.2	1.166	29.31
Deutschemark	0.246	0.546	1.	119.8	2.327	0.906	1.099	446.5	0.637	16.01
Japanese Yen 1,000	2.054	4.557	8.344	1000.	19.41	7.558	9.166	3724.	5.313	133.6
French Franc 10	1.058	2.347	4.298	515.1	10.	3.895	4.721	1918.	2.737	68.80
Swiss Franc	0.272	0.603	1.104	132.3	2.569	1.	1.213	492.7	0.703	17.67
Dutch Guilder	0.224	0.497	0.910	109.1	2.118	0.825	1.	406.3	0.580	14.57
Italian Lira 1,000	0.552	1.224	2.241	268.6	5.214	2.030	2.461	1000.	1.427	35.87
Canadian Dollar	0.387	0.858	1.570	188.2	3.654	1.422	1.725	700.8	1.	25.14
Belgian Franc 100	1.538	3.412	6.247	748.7	14.54	5.659	6.865	2788.	3.978	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit — one month 11.30-11.40 per cent; three months 11.45-11.55 per cent; six months 11.45-11.55 per cent; one year 11.05-11.15 per cent.

Aug. 22	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	n.a.	11⅛-11⅜	10⅛-11½	8¼-8½	½-¾	6½-6¾	10⅛-10⅜	11-12	—	5⅛-6⅛
7 days' notice	n.a.	11⅛-11⅜	10⅛-11½	8⅛-8½	⅞-1	6½-6¾	10⅛-10⅜	11-13	12¾-12⅞	6⅞-7⅛
Month	13⅞-14⅛	11⅛-11⅜	11⅛-11⅜	8⅞-9	1⅛-1⅜	6⅜-6¾	11⅛-11¼	13-14	10¾-10⅞	6-6⅜
three months	14⅛-14⅜	11¾-12	11⅞-11⅞	9¼-9⅜	1⅞-2	6⅜-6⅞	12⅛-12⅜	14-15	11⅞-11⅞	6⅛-6⅛
six months	13⅞-14¼	11⅞-11⅞	11⅞-11⅞	9⅛-9⅝	2⅛-2⅜	7⅛-7⅜	12⅜-12⅞	15-16	11⅞-11⅞	6⅛-6⅜
one year	13⅜-14¼	11⅛-11⅜	11⅛-11½	9-9¼	2⅞-3	7⅛-7⅜	12⅛-12⅜	15½-16¼	11¼-11⅜	6⅛-6⅞

Long-term Eurodollar: two years 10 11/16-10 13/16 per cent; three years 10 9/16-10 11/16 per cent; four years 10 7/16-10 9/16 per cent; five years 10 5/16-10 7/16 per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

European rates firm

Short-term interest rates showed a firmer trend in Europe yesterday, with rates advancing in several centres, while the major Swiss banks followed the upward trend, and increased their deposit rates.

PARIS—Call money was unchanged at 10½ per cent, but period rates were much firmer. One-month rose to 10⅞-11 per cent from 10 11/16-10 13/16 per cent; two and three-month to 11-11¼ per cent from 10 13/16-10 15/16 per cent; six-month and 12-month to 11 3/16-11 5/16 per cent from 10⅞-11

FRANKFURT—Call money rose to 6.70-6.80 per cent from 6.40-6.50 per cent; one-month to 6.80-6.85 per cent from 6.70-6.80 per cent; and three-month to 7.10-7.15 per cent from 7.00-7.10 per cent. Six-month was quoted at 7.35-7.40 per cent compared with 7.30-7.40 per cent while 12-month rose to 7.45-7.55 per cent from 7.40-7.50 per cent.

AMSTERDAM—Conditions are expected to remain tight in the money market over the next week. Call money, which was unchanged at 8¾-9 per cent yesterday, may rise over the next few days, unless the authorities takesteps to relieve the market shortage. No significant payments are expected in the coming week.

BRUSSELS—Call money rose to 9.85 per cent from 9.5 per cent. One-month eased to 11⅞-12 re cent from 12-12¼ per cent, while three-month was quoted at 12-12¼ per cent, compared with 12-12¼ per cent previously. Six-month funds were unchanged at 11⅞-11⅞ per cent, and 12-month at 10⅞-11 per cent.

ZURICH—The four major Swiss banks have their time deposit rates for non-bank clients to 1½ per cent from ¾ per cent for three to five month deposits to1¾ per cent from 1¼ per cent for six to 11 month deposits; and to 2¼ per cent from 2 per cent for one-year deposits.

UK MONEY MARKET

Exceptional shortage

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979)

Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave an exceptionally large amount of assistance by various bill purchases and lending a large amount overnight to seven or eight discount houses at Bank of England Minimum Lending Rate of 14 per cent. A small amount of Treasury bills were bought from the houses, and a small number from the banks. The authorities also bought a moderate amount of Treasury bills from the houses for resale at a fixed future date, and a small number of local authority bills from the houses. They also purchased a small number of local authority bills for future resale, and a small amount of eligible bank bills on a purchase and resale basis.

Very large revenue payments to the Exchequer outweighed Government disbursements, and the market was also faced with repayment of Tuesday's large market advances. On the other hand banks brought forward small surplus balances, and there was a small decline in the note circulation.

Discount houses paid 13¾ per cent for secured call loans in the early part, and closing balances were taken at 13¾-14 per cent.

In the interbank market overnight loans closed at 14 per cent, after touching a high point of 15 per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Aug. 22 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	13⅞-15	—	—	—	14⅝	13¾-14	—	—	—
2 days notice	—	—	14⅛-14¼	—	—	—	—	—	—	—
7 days or 7 days notice	—	14-14¼	14⅛-14¼	—	14½	14½	14-14⅛	—	—	—
One month	14 1/16-13 15/16	14 1/16-14 3/16	14-14⅛	15-14¾	14½	14⅝	13⅞	13⅝-13¼	14	14⅝
Two months	14 1/16-13 15/16	14-14 1/16	—	14¾-14⅛	14½	—	13⅝	13⅝	13⅞	14¼
Three months	14 1/16-13 15/16	14-14⅛	14-14⅛	14⅛-13⅞	14⅜	14⅜-14⅛	13⅝	13 9/16-13 7/16	13⅝	14
Six months	13 7/16-13 9/16	13 7/16-13⅝	13⅝-13⅝	13⅛-12⅞	14	—	—	—	12⅞	13⅝
Nine months	12⅞-12¾	12¾-12 7/16	—	13-12¾	13¼	—	—	—	—	—
One year	12⅝-12 7/16	12 7/16-12 11/16	12⅞	12⅝-12⅜	13	—	—	—	—	—
Two years	—	—	12¾-12⅞	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days fixed. • Long-term local authority mortgage rates nominally three years 12¾-12⅞ per cent; four years 12¾-12⅞ per cent; five years 12¾-12⅞ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13 9/16 per cent; four-month trade bills 14 per cent.

Approximate selling rate for one-month Treasury bills 13 9/16 per cent; two-month 13 9/16 per cent; three-month 13¼ per cent. Approximate rates for one-month bank bills 13 27/32 per cent; two-month 13 23/32 per cent; and three-month 13 23/32 per cent; one-month trade bills 14⅝ per cent; two-month 14¼ per cent; and three-month 13⅞ per cent.

Finance House Base Rates (published by the Finance Houses Association) 14 per cent from August 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.2975 per cent.

GOLD

Sharp rise

Gold rose $6¾ to close at $309-$309¾ after an active day. It opeend at $306½-307¼ and rose sharply on short covering and improved sentiment following the result of the U.S. Treasury auction. The highest level touched was $311-312.

	Aug. 22	Aug. 21
Gold Bullion (fine ounce)		
Close	$309-309¾ (£139.35-139.7)	$302¼-303 (£136.6-137)
Opening	$306½-307¼ (£138.2-138.55)	$298½-299¼ (£134.7-135.1)
Morning fixing	$311.50 (£140.425)	$298.90 (£134.67)
Afternoon fixing	$311.00 (£140.185)	$300.50 (£135.697)
Gold Coins, domestically		
Krugerrand	$320-322 (£144¼-145¼)	$310½-312½ (£140¼-141¼)
New Sovereigns	$79½-80½ ($35¾-36¾)	$77½-79½ (£35-36)
Old Sovereigns	$116¼-118¼ (£52½-53½)	$115½-117½ (£52¼-52¼)
Gold Coins, internationally		
Krugerrand	$320-322 (£144½-145½)	$310½-312½ (£140¼-141¼)
New Sovereigns	$79½-80½ ($35¾-36¾)	$77½-79½ (£35-36)
Old Sovereigns	$116¼-118¼ (£52½-53½)	$115½-117½ (£52¼-53¼)
$20 Eagles	$432-437	$424-427
$10 Eagles	$238-243	$228-235
$5 Eagles	$193-198	$180-190

In Paris the 12½ kilo gold bar was fixed at FFr 44,900 per kilo ($327.73 per ounce) in the afternoon, compared with FFr 44,950 ($328.19) in the morning, and FFr 43,400 ($316.63) Tuesday afternoon.

I n Frankfurt the 12½ kilo bar was fixed at DM 18,230 per kilo ($309.77 per ounce), compared with DM 17,630 ($299.33) previously.

MONEY RATES

NEW YORK	
Prime Rate	12
Fed Funds	11-11.125
Treasury Bills (13-week)	9.52
Treasury Bills (26-week)	9.50
GERMANY	
Discount Rate	5
Overnight Rate	6.75
One month	6.825
Three months	7.125
Six months	7.375
FRANCE	
Discount Rate	9.5
Overnight Rate	10.5
One month	10.875
Three months	11.0625
Six months	11.125
JAPAN	
Discount Rate	5.25
Call (Unconditional)	6.6875
Bills Discount (three-month)	7

FINANCIAL TIMES SURVEY

Thursday August 23 1979

VIENNA

With the official inauguration of the vast international centre on the banks of the Danube, Vienna underlines its position as one of the world's meeting places. In this Survey, **Paul Lendvai**, our Vienna correspondent, looks at the city's significance as a diplomatic, political and business centre.

World's third U.N. centre

WHATEVER THE ultimate fate of the second strategic arms limitation treaty (SALT II), signed on June 18 by President Jimmy Carter of the U.S. and by the Soviet party chief, President Brezhnev, in the historic Hofburg Palace in Vienna, their summit meeting dramatically underlined Vienna's role as a central market place for peace negotiations, as a traditional stage for international gatherings.

The more than 2,000 journalists covering the first personal encounter between the leaders of the two superpowers were time and again reminded that Vienna is not just the capital of a curiously shaped, and land-locked small country, but a city of imperial splendours which, until the collapse of the Austro-Hungarian empire, was the centre of a great empire with 52m people representing 11 different nations.

In a very real sense, therefore, the opening of the vast international centre on the banks of the Danube, which in Vienna is called "the U.N. city," symbolises both for the world at large and for Austria's 7.5m people, that Vienna still has an international function to fulfil which goes beyond the Danubian base or even the framework of East-West relations.

The fact that the official inauguration of the U.N. city coincides with the largest ever international meeting, the U.N. conference on science and technology attended by almost 5,000 participants from all over the world, is a fitting reminder that Vienna's emergence as the third U.N. metropolis after New York and Geneva also has global implications.

Vienna's bid for international recognition and the significance of the international centre—which in all will cost the federal state and the municipality Sch 9bn (about £300m), and together with a large Austrian conference centre, as much as Sch 16.5bn—cannot be properly understood without a glance at the past.

Background

The achievements, and frustrations, must be seen against the background of the sudden change transforming the cosmopolitan capital of the Habsburg empire into the capital of the truncated remnant. Then came traumatic shocks such as the civil war of 1934 between "black" and "red," the Anschluss in 1938, and the forced incorporation into Hitler's Third Reich. The difficult years of the 1939-45 war and the following decade of four-power occupation saw the birth of a new Austrian state and of national consciousness.

Austria's post-war bid to regain its once pre-eminent role as an international meeting place of world leaders, diplomats and traders always has been strengthened by the memories of past greatness. As early as 1515 Emperor Maximilian I called the first, albeit long-forgotten, congress of Vienna the "Fuerstentag," as assembly of reigning princes in Vienna.

It is however the 1814-15 Congress of Vienna which ranks in the history books as the turning point, producing a century-long balance of power in Europe. This is the reason why at every major international gathering, the foreign guests or the Austrian hosts allude in one way or another to the long tradition of Vienna as "a meeting place, as a place where understanding can be sought between East and West." In April 1970 the then Austrian Foreign Minister, Dr. Kurt Waldheim, greeted the American and Soviet delegations with these words at the opening of the SALT negotiations.

In the meantime Dr. Waldheim has become Secretary-General of the United Nations and it is in this capacity that he participates at the festivities and expresses his thanks for what can only be called a present of the Austrian taxpayers for the international community.

The often forgotten point is that the erection of the large complex, providing permanent office space for more than 3,000 and "at full capacity" for 4,600 international civil servants, was fully financed by the Austrian state (65 per cent) and the municipality of Vienna (35 per cent). It is leased to the United Nations for 99 years and for a symbolic rent of one Schilling (just over 3p) per annum.

The Austrians resent malicious hints that Vienna's future as a UN centre looks bright mainly by virtue of Dr. Waldheim being Secretary-General of the world organisation. In fact, Vienn's emergence as an international centre began long before, in 1958 when the Austrian capital was chosen as the seat of the International Atomic Energy Agency and in 1966 as headquarters of the United Nations Industrial Development organisation (UNIDO). At that same time, the then government, headed by Chancellor Josef Klaus, of the People's Party, underwrote a commitment concerning the provision of permanent office facilities for both international organisations.

Limit

The root of some subsequent controversies lay in the failure of the Austrian government of the time to set an exact ceiling as far as the size of the project and the number of employees of the two international organisations were concerned. It was only in the autumn of 1972 that the government of Chancellor Bruno Kreisky, who in 1970 replaced Dr. Klaus as Premier, managed to get a limit on the capacity of the building.

The two UN organisations reluctantly agreed to accept a ceiling of 4,600 people instead of the originally demanded capacity for more than 7,000. Subsequently, a special operating company, called somewhat clumsily Internationales Amsitz und Konferenzzentrum Wien AG, better known by the initials IAKW, was founded by the State and the municipality of Vienna, and actual construction began in spring, 1973.

In the following years, partly under the impact of the world energy crisis, the mood has changed and at one point the Austrians were even faced with the problem of finding provisional or permanent tenants for the unused space in the course of redevelopment schemes. However, it is now taken for granted that the capacity will be fully utilised within a relatively brief period, partly also as a result of moving some minor outfits from New York and Geneva to the Austrian capital.

The Austrian Government has time and again been subjected to pressures by some top international bureaucrats who haughtily demanded the most luxurious installations and in the end began to complain about the excessive operating costs—first going so far as to demand that the Austrians should also pay the operating costs. In the end, Chancellor Kreisky agreed to provide part of the servicing costs.

Construction of the ambitious international complex has been all along, as so much in Viennese history, a highly controversial subject, on issues such as the selection of the architect, the sky-rocketing costs and the plan to build also a large Austrian congress centre alongside the international complex. At one point the issue also became a bone of contention in the election campaign, but by now both the governing Socialists and the opposition People's Party jointly claim credit for Vienna's successful bid for recognition as an international meeting place.

In the period while the UN-city was going up, Vienna has been host to the 19-nation East-West talks on troop reductions in Central Europe (MBFR) and one should also remember that the SALT talks initially alternated for 2½ years between Vienna and Helsinki, before moving to Geneva in Autumn, 1972.

The meetings of President Sadat of Egypt with Mr. Simon Peres, the Israeli opposition leader, and the important encounters between Dr. Henry Kissinger when he was U.S. Secretary of State with Mr. Gromyko, then Soviet Foreign Minister, have contributed to Vienna's image as an international meeting place. As have the so-far unsuccessful Greek-Turkish-Cypriot meetings on the future of the divided island of Cyprus and last but not least the controversial meeting of Mr. Yassir Arafat, the PLO leader, with Herr Willy Brandt, the former German Chancellor and current President of the Socialist International in the company of Chancellor Bruno Kreisky.

Finally, who could forget during the Brezhnev-Carter summit that 18 years earlier Vienna was the scene of the by-now legendary meeting of President John F. Kennedy with the Soviet leader, Nikita Khrushchev?

Nevertheless, only four days before Christmas 1975, the Austrians also learned the disadvantages of playing host to a gathering of high-powered but controversial oil sheikhs and petroleum ministers. On December 21, a pro-Palestinian terrorist gang occupied the headquarters of OPEC (Organisation of Petroleum Exporting Countries), seized 70 hostages including ministers from 11 oil states and killed three people, among them an Austrian policeman.

Despite this spectacular act of terrorism and the much-criticised failure of Austria's authorities to provide more adequate security precautions, OPEC, which moved to Vienna in the mid-1960s from Geneva, has so far remained in the Austrian capital.

Question

Many Austrians and quite a few foreign observers have raised the question as to why this small country is spending so much on attracting international visitors and organisations. Evidently, money plays a great part. The Austrians are past masters at converting charm into cash and the so-called congress tourism brings to the city visitors who spend almost 50 per cent more per head and also stay longer than the average holidaymaker. Thus both the hotels and the retail trade are keenly interested in promoting Vienna as a congress centre.

To offset criticism in the popular newspapers, the Austrian authorities also stress that a large part (between 60 and 70 per cent) of the budgetary expenditures of the international organisations and 80 to 90 per cent of the salaries of their employees are spent in Vienna and that about 1,500 highly qualified Austrians are also employed by the international bodies.

However, Vienna's emergence as a respected and favoured international meeting place is also regarded as a vital factor of international security for a small country with a miniscule army, sharing a common border with two Warsaw Pact countries—Czechoslovakia and Hungary—and in the south with tension-ridden Yugoslavia.

Chancellor Kreisky, Austria's leader since the 1939-45 war, who last May achieved his fourth consecutive electoral victory, is an advocate of an activist neutrality policy and regards the UN-city as part of the permanent efforts to consolidate Vienna's position as a centre of international diplomacy.

Another important tribute to the country's political stability was the choice of Aspern, near Vienna, by General Motors as the site for a large engine plant providing 1,500 jobs, announced on the eve of the U.S.-Soviet summit. Few people know that Vienna is not only a meeting place of diplomats and tourists, but also a banking, commercial and industrial centre. Though accounting for only 21 per cent of Austria's population, the city has provided between 27 and 30 per cent of the country's aggregate GNP in the 1970s.

As a contact point for trade with the East, Vienna has been chosen by 450 Western and Eastern companies as headquarters for operations in both directions. Regrettably, the Government has failed so far to heed the advice of top bankers and create a more attractive tax environment for international trading and finance companies.

As a result of the UN-city and other large construction projects, Vienna's face is changing. The capital of a country with a sound economy, one of the hardest currencies of the world, currently also the lowest inflation rate in Europe and an enviable record of social peace, dedicated to both neutrality and western democracy, is ideally suited to become what Chancellor Kreisky calls "one of the political capitals of the world."

City's importance as a business centre

THE DECISION of the General Motors Corporation, announced in early June this year, in favour of Aspern, near Vienna, as the site for a large engine plant has marked both a practical and symbolic success for Chancellor Kreisky's socialist Government and the municipality of Vienna, headed by Mayor Leopold Gratz.

The large-scale investment grants, offered by the federal state and the city of Vienna involve one-third of the costs of the £150m project as well as providing a site free of charge. The federal state will put up two-thirds of the £50m grant with the municipality providing the rest.

As the engine plant means 1,500 jobs and also large purchases from Austrian subcontractors, the General Motors project, involving in the final phase the manufacture of 300,000 car engines a year, also points to the growing significance of Vienna and its surroundings as a business and industrial centre.

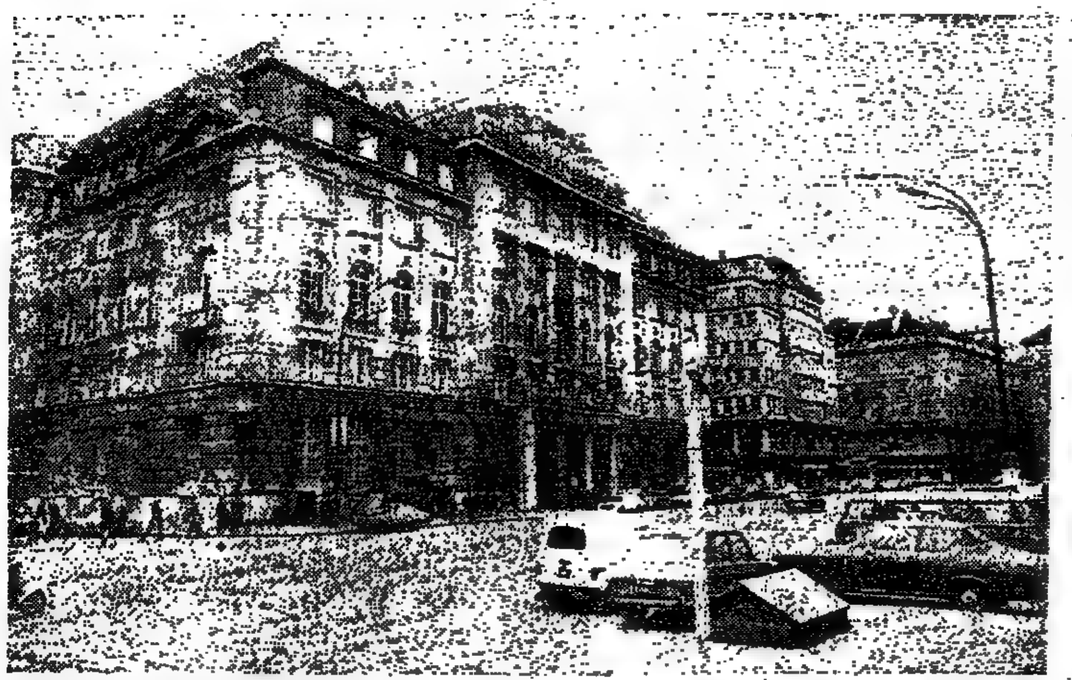
With 21 per cent of the inhabitants and 23 per cent of the active population, the capital provides about 26 per cent of the jobs and contributes between 27 to 28 per cent to Austria's aggregate GNP. At the same time, it is also true that Vienna's share of Austria's GNP has fallen sharply from 31 per cent in 1964 partly as a result of the westward pull accentuated by the structural and geographical disadvantages.

A further negative factor affecting the city's development is the steady reduction of the active population, coupled with a rising proportion of old people.

However, it is perhaps even more important that the Communist take-over in Eastern Europe also isolated eastern Austria, that is Vienna and the provinces of Lower Austria and Burgenland from their natural trading partners. The eastern region, comprising about 28 per cent of the total Austrian territory, accounted in the early 1970s for 47.2 per cent of the aggregate GNP as against 50.5 per cent in 1964. Though the East's share also fell from 54 per cent in 1934 to 43.5 per cent of the total population by 1976, Vienna, Burgenland and Lower Austria constitute by far the most powerful region.

Since the conclusion of an agreement between the three governors of the three laender (Vienna is both a municipality and a land or province), it is hoped that economic and administrative common sense will at long last prevail. Vienna remains of course the economic centre of the eastern region accounting for over 60 per cent of the gross regional product and providing jobs for 62 per cent of the non-agricultural active population.

Meanwhile, the General Motors project must be seen against the successful efforts of Wibag, the industrial siting corporation, to attract new industries to the capital and the surrounding area. According to its own latest estimates, Wibag in the last ten years has helped to settle 180 manufacturing and trading companies involving investments made or planned to the tune of Sch 7.5bn. Wibag not only develops new industrial parks, but also rehabilitates and redevelops old factories. The municipality has increased its spending on the rejuvenation of the capital's stock of industrial property from Sch 81m in 1976 to Sch 155m this year. City councillor Hans Mayr, the "finance minister" of the capital, has announced that by 1983 1m square metres will be developed as a new industrial zone.



As an important contact point for trade with the East, Vienna has been chosen by 450 Western and Eastern companies as headquarters for operations in both directions. All major Austrian banks have a key role in providing finance for East-West trade, where Western sellers are increasingly faced with counter-purchasing requirements. Above: The main Credit Bank, on the Schotten Gasse, Vienna

Other new ventures aimed at revitalising old and attracting new industry and trade include the provision of special subsidies for projects, promoting genuine innovation and technological progress, as well as subsidised export loans. The municipality currently offers 18 kinds of cash grants, subsidies and promotion measures.

The banks as well as the municipality and the Ministry of Trade's special advisory body vie with each other to provide help and advice for the newcomers to Austria and to the capital. Why then has the General Motors' project been criticised by speakers of the business community and some commentators?

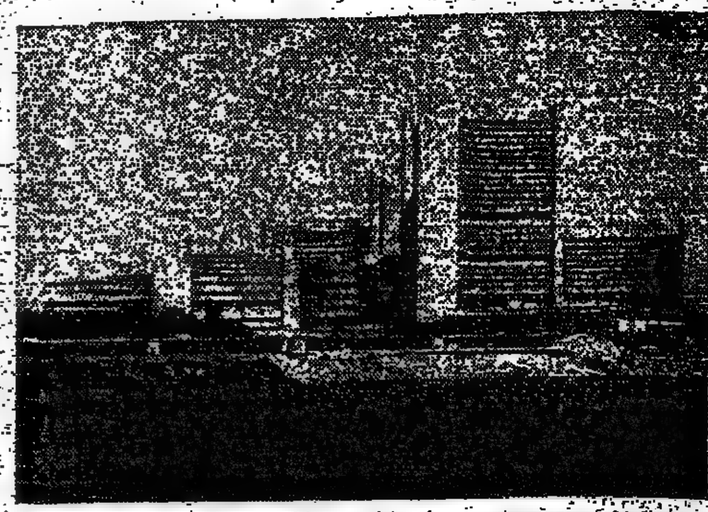
While recognising the advantages, also involved for the subcontractors, Herr Karl Dittrich, president of the Vienna Chamber of Trade, has echoed an opinion, shared by many small entrepreneurs, that the 60,000 businessmen in Vienna could also create additional jobs without getting a cash grant of Sch 1m for each new job.

Yet nothing could illustrate the contradictory trends better than the fact that while many people regard the grant for General Motors as far too excessive, provincial newspapers complain bitterly that Vienna-Aspern and not the sites offered in Styria or Carinthia have been chosen.

It is still possible that General Motors will decide within a couple of years to set up an assembly plant in the Aspern area. The location provides a fully developed infrastructure and is close to a canal leading to the Danube, which could be particularly helpful when the Rhine-Main-Danube canal is completed. The proximity to Eastern Europe and the excellent record in labour relations are powerful arguments in Austria's favour.

As far as the construction sector is concerned, the large projects in Vienna such as the international centre on the Danube, the underground system and a large hospital project contributed to the doubling of the output in value between 1970-76 and increased the eastern region's share from 42.8 to 45.3 per cent of the total Austrian figure.

It remains to be seen how far the latest developments will engender new investment confidence and stop the westward shift from Vienna.



The international centre on the banks of the Danube

Gateway to Eastern Europe

FOR REASONS of history, geography and expertise, Vienna is a traditional gateway to—and contact point with—Eastern Europe.

Before turning to statistics which show that in proportional terms, Austria is more closely involved in trade with the Communist east than any other West European country, it is important to recall the roots of the special role played by this small country in the Danube Basin.

For centuries, Austria was the heart of the Hapsburg Empire with 52m people, representing a myriad of nations and smaller ethnic groups, a medley of religions, languages, traditions and lifestyles.

Dominating the economy of the countries in Central and Eastern Europe, Vienna enjoyed the status of an imperial centre, ranking during the last decade of the Austro-Hungarian Empire as the fifth largest city in the world. In 1910, for example, one in three among the then 2.1m inhabitants were born in areas which today make up the "succession states"—that is, Czechoslovakia, Hungary and Yugoslavia.

During the last six and a half decades Vienna's population fell by half a million and the proportion of those who originated outside present-day Austria total only just over 15 per cent of the Viennese today.

Regardless of the enormous changes caused by the break-up of the monarchy, the Anschluss, World War Two and last, but not least, the Soviet occupation and the subsequent Communist takeover of the neighbouring East European countries, the intimate knowledge of the area and, above all, the feel for the mentality of the people and elites living there are generally singled out as the intangible but, nevertheless, crucial factors still shaping Vienna's image vis-a-vis the East.

Geography, is, of course, another important reason why between 400 and 450 Western firms which set up production or sales outlets in Vienna, concentrate primarily or partly on trade with Eastern Europe.

It is not generally known, for example, that Budapest is nearer to Vienna than such Austrian provincial centres as Salzburg or Innsbruck. Salzburg is as far away as Prague and even Belgrade is nearer than Bregenz.

Function

Nevertheless, during the 1970s some foreign observers have begun to under-rate Vienna's function as a useful contact point with the Comecon states.

In what used to be called then "the new era of detente" and the gradual opening of the East towards the West, enormous bilateral deals were negotiated directly between Moscow, on the one hand, and the governments in Washington, Bonn and Tokyo on the other, even the smaller Comecon states began to tap the Euromarkets through international bank consortia, usually with U.S., British or German banks as lead managers. What, if any, role remains under these circumstances for the capital on the Eastern fringe of a small land-locked country?

Paradoxical as it may seem at first glance, the network of bilateral arrangements between East and West, involving often complicated compensation and switch deals enhanced Vienna's significance as a centre with special knowledge of (and facilities for dealing with) ponderous bureaucracies in the Communist-ruled states of Eastern Europe, eager to import Western technology, yet chronically short of hard currency and easily marketable products.

It is reckoned, for example, that about 25 per cent of the compensatory payments arrangements are handled by Austrian intermediaries or have originated in Vienna. That expertise and flair for what is possible, and not in the twilight world of Communist finance, is reflected in the phenomenal success of Mr. Simon Moskovics, owner and chief executive of the Bankhaus Winter, who together with the directors of the Allgemeine Finanz-und Waren-Treuhand (a fully-owned subsidiary of the Creditanstalt Bankverein, the largest Austrian bank), ranks as top Viennese expert and operator in compensation trading.

But all major Austrian banks play a role providing finance for East-West trade, where Western sellers are faced increasingly often with counter-purchasing requirements.

The expansion of the transit transactions, accounting last year for 12 per cent of Austria's total exports, is a further contributory factor to Vienna's special role. About 40 per cent of the transit exports go to Eastern Europe. No other non-Communist country, except Finland, sends such a large proportion of its exports—between 18 and 20 per cent including Yugoslavia—to Eastern Europe.

It is estimated that by the end of last year the indebtedness of Comecon states, including commercial credits to Austria, reached some Sch 45bn.

The scope of trading and financial transactions with the Communist countries provides the basis for the special expertise of the Austrians in general and the Viennese in particular, *vis-à-vis* the East.

In addition to the conducive environment created by Austria's permanent neutrality and the by now almost legendary labour peace, Vienna is also a meeting place of scientists, bankers, and economic experts dealing in one way or another with the Communist world.

Thus the small but highly-qualified staff of the Vienna Institute for International Economic Comparisons regularly publishes studies and surveys on economic trends in East-West trade and in the individual Comecon countries.

It also organises international workshops on such burning issues as the future energy supplies, which are usually attended by prominent experts from East and West.

The Vienna East-West Conference last March brought together top East European executives of state-owned companies and trade agencies with a number of leading American and West European businessmen.

According to the latest estimates there are now some 50 East European firms operating in Vienna, in addition to the Soviet-owned Donaubank and Garant Insurance Company and the Central Wechsel and Creditbank AG, a traditional Hungarian banking outlet; Eastern Europe is also represented in force at the annual spring and autumn fairs in Vienna which provide a traditional contact for traders from East and West.

The latest example that the Austrian (even six decades after the demise of the Habsburg monarchy) still knows the mentality of the people in Eastern Europe better than any other competitor is provided by the Austrian Airlines (AUA).

The Austrian carrier which offers an over-the-average number of direct flights to all East European capitals will for the first time erect a typical Viennese café at the International Fair in Plovdiv, Bulgaria, where, between September 3 and 10, Bulgarian and foreign visitors can enjoy not only traditional Viennese pastries but will also be able to read the latest Western newspapers. The Viennese café will also be displayed at specialised fairs in Moscow and Bucharest later this year. It is this unique approach, rooted in Viennese tradition, which not even the cleverest salesman from Duesseldorf or Tokyo could invent, let alone imitate.

Nerve centre of banking sector

A WALK in the centre of Vienna or a drive to the suburbs, even to those residential areas where the famous wine cellars rather than stores dominate, will convince the casual visitor that banking has gradually become one of the most dynamic sectors of Austria's economy. The physical evidence in the proliferation of branches is matched by the number of bank employees, which almost doubled to 56,000 between 1967 and 1978. During the same period overall employment was up by only about 3 per cent.

Vienna is the nerve centre of Austrian banking. Even in 1972 it provided 55 per cent of the contribution of the banks and insurance companies to the Gross National Product and accounted for 41 per cent of total employment in banking. Considering that between 1961 and 1971 the number of employees in banking and insurance had already risen by 38 per cent, bring to over 7 per cent their proportion of total employment in the capital, it is not too far-fetched a conclusion to reach that by the end of this decade one in 10 of gainfully employed Viennese may well work in one of the banks. The number of branches and offices countrywide has jumped since mid-1977 by one-fifth to a grand total of 4,489.

The new banking law has formally liberalised the establishment of new bank branches. The all-out competition among joint stock banks, credit institutes, savings banks and farmers co-operatives has led to complaints that Austria in general and Vienna in particular are in danger of becoming seriously "over-banked." The ratio is currently one bank branch per 1,700 inhabitants and there is no sign of a pause—let alone an end—to the corresponding race for the small man's money.

Competition

Competition in banking has spread throughout the various sectors, pitting, for example, the large savings banks against each other, while their central institute, the Girozentrale, warns against the danger of diluting the combined strength of the entire sector by dangerous go-it-alone initiatives. The main attention is being directed at the controversial activities of the two large Vienna-based savings banks. Of these, the Central Savings Bank (Z-Bank) of the Vienna municipality had last year consolidated assets to the tune of Sch 75.7bn, placing it fourth in the Austrian bank league. The First Austrian Savings Bank reported a consolidated balance sheet of Sch 54.4bn. Girozentrale is the No. 2 institute, with assets of Sch 121bn, preceded only by the Creditanstalt Bankverein (CA) with Sch 142.88bn at the end of 1978.

Recently the Central Savings Bank came under public attack because its new wholly-owned subsidiary, EEG (Exportfoerderung und Exportberatung GmbH) with a capital of Sch 10m, has become the sole beneficiary of large-scale export finance projects heavily subsidised by the municipality. Under the scheme any company which pays half of its wage tax and produces 30 per cent of its output in value in Vienna can profit from export credits at a subsidised rate of a mere 6 per cent. On the basis of Sch 100m provided by the city of Vienna, up to 90 per cent of the export finance is guaranteed.

The new scheme is motivated by the fact that because of the special structure of the Viennese economy and industry, exports account for only 23 per cent as against 30 per cent for the Austrian industry as a whole.

The selection of the Central Savings Bank which is also the oldest established "housebank" of the municipality, has now been publicly criticised by Dr. Heinrich Treichl, director-general of the Creditanstalt and chairman of the prestigious Association of Banks and Bankers. He stressed in a formal statement that many other credit institutes had also been engaged for a long time in promoting and financing exports without enjoying special and unilateral treatment by public authorities.

Under the leadership of Dr. Treichl, Creditanstalt has been the pacemaker in the 1970s in forging closer links between Austria and the international financial centres. The bank has joined the Ebic multinational consortium and acquired a substantial holding in the Wirtschafts- und Privatbank of Zurich along with the Bayerische Vereinsbank and Anthony Gibbs Holding. The other joint stock bank, Oesterreichische Laenderbank, is associated with the Abecor multibank group, while Girozentrale has shareholdings in the Handelsbank of Zurich as well as a minority interest in the Vienna-based Chase Manhattan subsidiary. Other major banks such as GZB (Genossenschaftliche Zentralbank) and Bawag, the unions' bank, are also involved in international ventures, including Vienna-based multi-bank consortia specifically founded to finance East-West trade.

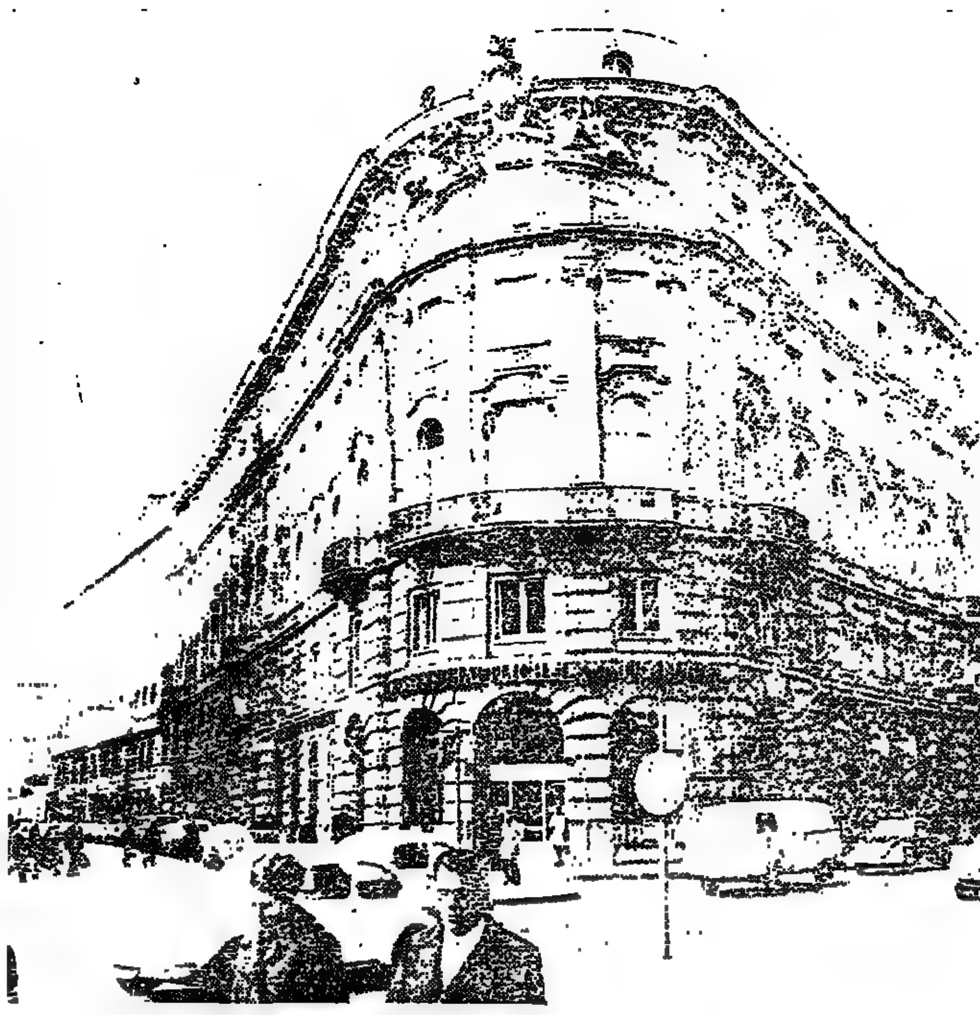
Initiative

The latter include the Centro Bank, set up at the initiative of Austrian banks together with Poland's Bank Handlowy, Kleinwort Benson of London and Bank of Tokyo as well as Spanish and Italian credit institutions. Bawag, Bankhaus Winter and GZB are co-operating with German, French and U.S. banks in the operation of the International Bank for Foreign Trade. Since the mid-1960s about a dozen important U.S., French, Japanese and Canadian banks have opened branch offices in Vienna.

The internationalisation of Austrian banking is also reflected in the aggregate balance-sheets of the major credit institutions. The proportion of foreign assets and liabilities has increased from a mere 1 per cent in 1960 to 7.7 per cent in 1970 and to 15.7 per cent last year.

Yet it is regarded as somewhat disappointing that among Luxembourg's over 100 foreign operators not one single Austrian bank can be found and that Creditanstalt's laborious efforts to open a bank branch in this important Euro-business centre have still not been able to overcome the resistance of the high-powered bureaucrats at the National Bank, the central bank. Meanwhile, Girozentrale has announced its intention of opening a full subsidiary in London, the first Austrian bank to do so. Laenderbank has had a London representative office for the past two years but Girozentrale is seeking to follow up the opening of a representative office in September with its transformation into a proper branch in London within a year or so.

Despite the growth of foreign business and the number of foreign shares quoted on the small Vienna Bourse, the Austrian capital has still a very long way to go towards regaining its earlier reputation as a truly international financial centre. So long as the Austrian bureaucrats and their Socialist masters do not come forward with more imaginative ideas and less hefty taxes, charm and improvisation alone will not suffice to attract international holding and finance companies or fulfil more ambitious functions in European commerce and banking.



Vienna has seen a remarkable growth in the banking sector in recent years. Above: The Central Bank, on Herren Gasse

President Jimmy Carter and Mr. Leonid Brezhnev, the Soviet president, together in Vienna before they signed the SALT 2 agreement in June. The city's role on the world stage is increasing

World role in science

IT IS no accident that the largest UN conference ever organised on the complex problems involved in the application of science and technology at international, national and regional levels (called in the conference jargon "UNCSTD") is being held in Vienna from August 20 to 31. The conference, preceded by a three-day meeting of some 300 scientists (the Advisory Committee on the Application of Science and Technology for Development), will bring about 5,000 experts and supporting staff from 125 countries to Vienna. But the choice of the Austrian capital for one of the most important international meetings dealing with themes of Global significance also marks a major symbolic step forward on the road towards the emergence of Vienna as a scientific-research centre of the United Nations.

At the same time the key subject of technology transfer to the developing countries, which account for three-quarters of the world's population but have only a 4 per cent share in the worldwide research and development, is closely related to the activities of the specialised agencies of the UN and other international organisations in Vienna. The oldest is the International Atomic Energy Agency (IAEA), headquartered in the city since 1957 and headed by Dr. Sigvard Eklund of Sweden. It has been providing invaluable assistance for the peaceful use of nuclear energy and the international control of the non-proliferation of nuclear arms. Seventy of the 105 non-nuclear powers have concluded a safeguards agreement with IAEA.

The other major international body which moves into the new international centre is the United Nations Industrial Development Organisation (UNIDO), whose executive director is Dr. Abd-el Rahman Khane from Algeria. UNIDO, set up by the UN General Assembly in November 1966, had up to the end of last year channelled $370m in technical assistance to the developing countries. The main function of the organisation and its 1,000-strong staff is to encourage the industrialisation of the developing countries. It is hoped that UNIDO will be able to increase by 50 per cent to the tune of $176m its technical assistance in 1980-81 compared to the 1978-79 period.

In a recent newspaper interview Dr. Kurt Waldheim, Secretary-General of the UN, for the first time sketched out his vision of the future functions of New York, Geneva and Vienna as UN centres. While New York remains the political headquarters and Geneva houses mainly the economic organisation of the UN, Vienna will emerge primarily as the scientific-technological centre. Dr. Waldheim specifically referred to the fact that the IAEA and

Dr. Hertha Firnberg: driving force

UNIDO already deal with the technology transfer to the developing countries.

Progress towards making Vienna an international stronghold of science and research was vastly accelerated by the creation of an independent Ministry of Research and Science in 1970, which ever since has been headed by Dr. Hertha Firnberg, who is also deputy chairman of the ruling

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Campaign to attract more tourists

ONLY A few weeks before the great events—the opening of the "Unicentre" and the simultaneous holding of the largest ever international conference in the Austrian capital—the Viennese newspaper "Die Presse" carried a short item under the headline "Bad Times for the Viennese Tourist Industry." It quoted Herr Josepf Froelich, a well-known caterer and chairman of the Association of the Viennese Tourist Industry, who candidly stated "We can be happy if we scrape through at last year's levels."

The figures show that during the first five months of this year the number of overnight stays was down by 30,000 to 1.3m. In a resolution the Association demanded the reduction of the numerous taxes on services, the elimination of the special levy on music in restaurants and cafes, the solution of traffic problems and a simpler administration.

Modest

Even allowing for the fact that the tourist industry usually presents its long catalogue of (mainly justified) complaints in the darkest colours, the statistics for a longer period and a glance at recent changes indicate that Vienna and the entire eastern region (including Lower Austria and Burgenland) have a relatively modest share in terms of aggregate intake from tourism. Here too the peripheral position of the eastern region, its distance from Western Europe (the German-Austrian border is four to five times farther away from Vienna than the crossing points along the Hungarian and Czechosolvak borders) as well as the manifold repercussions of the Communist take-over and the cold war have provided the basis for the lop-sided development between West and East Austria. Thus the eastern share fell from 2.14 per cent of the overnight stays registered in 1951 to a mere 10.9 per cent in 1976.

Even more telling perhaps is the fact that the border crossings in Burgenland and Lower Austria accounted for only 5 per cent of the crossings registered in Austria in 1976. Meanwhile the elimination of the visa procedures for Austrians entering Hungary and for Hungarians coming to Austria—albeit the latter need as before an exit permit from their own government—may have given a push to the eastern share.

Even so, the days when rich Hungarian nobles or members of the well-off Prague bourgeoisie came to spend their winter or summer holidays in Vienna or on the Semmering in Lower Austria are gone forever. Those who do come to Vienna are either official delegates or tourists chronically short of hard currency who add precious little to Austria's foreign exchange influx from holiday-makers.

As to Vienna's position, the statistics reveal that last year the capital accounted for a mere 3.7m of the 81.3m overnight stays spent by foreign tourists in Austria. This meant only a 0.4 per cent increase on the previous year, whereas Austria as a whole recorded a 3.7 per cent growth in overnight stays by foreign holiday-makers. But Vienna is much more dependent—in proportional terms—on foreign visitors than the rest of the country—tourists from abroad up 86 per cent of the overnight stays as against 75 per cent for the country as a whole.

Share

The Achilles heel of Austrian tourism is the preponderance of German visitors, who accounted last year for 74.3 per cent of all holiday-makers registered in the country. By contrast, in Vienna the German proportion was below 30 per cent. Although the absolute number of U.S. visitors dropped by 18.4 per cent, their share was still 11.3 per cent, much higher than the 1.6 per cent for Austrian tourism as a whole. Similar divergences can be noted in the proportion of British (4.9 per cent), French, Italian and Swiss visitors to the capital, all much higher than the respective national share in percentages of Austrian tourism as a whole.

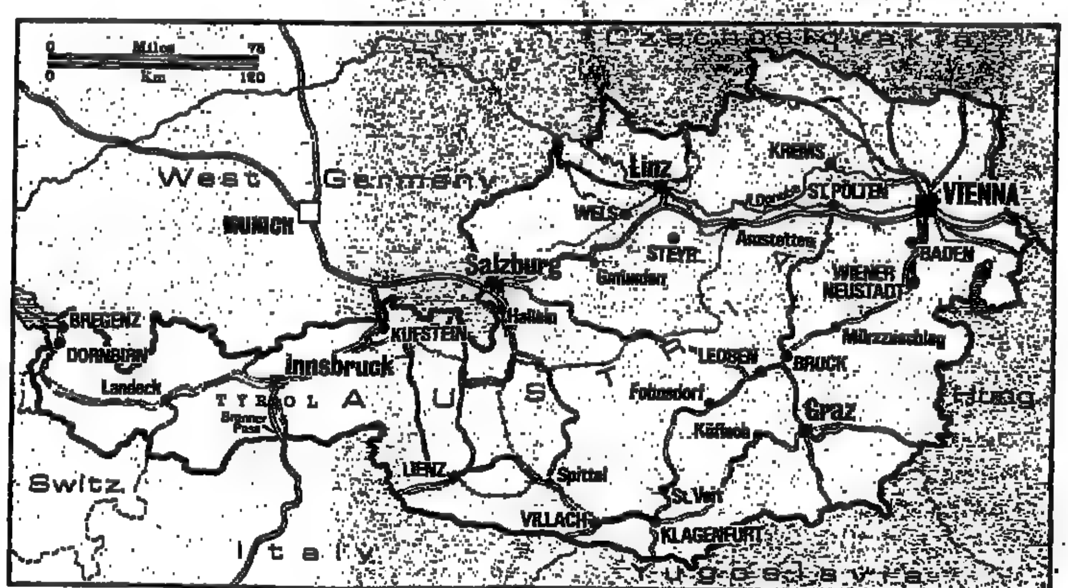
More important even than the losses caused by the appreciation of the Austrian schilling *vis-a-vis* the dollar are two factors. First, prices in Vienna and in the country at large have been rising in recent years more than in the principal competitor countries; secondly, the typical holiday-maker stays on average only 2.8 days in the capital as against 6.6 days on a country-wide basis.

On the other hand, all surveys confirm the predominance of "quality" as against mass tourism, with the average visitor spending more in Vienna than in the rest of the country. This is the reason why the municipal authorities and the tourist and catering industries pin their hopes also on the highly lucrative "congress tourism." Delegates at conferences are estimated to spend 50 per cent more than the normal tourist and stay on average at least four days.

This is partly the explanation for the Government's decision to go ahead with the construction of a vast Austrian congress centre, providing accommodation for 5,900 delegates. Costing Sch 7.5bn, it will be completed by 1985. The opposition People's Party voted against the draft bill, however, because future operating costs and alternative solutions had not been sufficiently explored by the Government. In particular the most attractive convention hall, the Hofburg Congress Centre in the glittering State rooms of the Imperial Palace, will be hit by the opening of the new giant centre on the banks of the Danube.

The calculated gamble of the erection of yet another centre, however, must be also seen as an investment in security as an added proof of Austria's seriousness in the bid for international recognition. The future of congress tourism will depend of course on the international political and economic situation and the prospects for the UN and its affiliated organisations. But for the average holiday-maker Vienna will remain primarily the city of imperial splendours in the Hofburg and Schoenbrunn, the St. Stephens Cathedral and the Lippizaner horses of the Spanish Riding School, the Prater and the Giant Wheel, and last but not least the wine gardens of Grinzing and Sievering.

Austria as a whole has had an increase in overnight stays by foreign holiday-makers. Above: the old quarter of Kufstein, near the German border. Below: the resort of Lech in Western Austria



World role

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Socialist Party and head of the Socialist Women's Organisation. Dr. Firnberg is not only Europe's longest serving and most experienced Minister of Science. She has been and is the driving force behind the increase of available resources for science and technology and also the democratisation and modernisation of higher education in Austria.

During her tenure of office research and development expenditures has increased from 0.94 per cent of Gross National Product in 1970 to 1.22 per cent of a much larger total, with the Federal Government providing almost 40 per cent of expenditures, the rest being put up by the Laender and industry. In addition to the planning and coordination of Government research promotion activities, the Ministry also established priorities and perhaps above all began to make aware both the political and social institutions, the public at large and the mass media of the importance of science and technology to society.

The Austrian National Paper for the Vienna UN Conference on Science and Technology deals extensively with the optimal forms of technological co-operation with developing countries. Separate case studies show concrete examples of co-operation involving Austrian companies and institutions such as a model farm in Tunisia, an irrigation plant on the Ivory Coast and other projects in Gabun, Bolivia and Nigeria. The admission of 4,188 students from developing countries (37 per cent of all foreign students attending Austrian universities and colleges), the provision of bursaries and scholarships, post-graduate training for academic personnel from the Third World should in future be supplemented by a new idea, namely partnership in research between universities. Details of this proposal are also spelled out in the Austrian National paper for the Vienna Conference.

Status

The neutral status of Austria constitutes an ideal basis for Vienna's role in the North-South and East-West dialogues. It was this special status as well as the personal engagement of Chancellor Kreisky and Dr. Firnberg which induced scientific organisations from 12 West and East European countries to set up in 1972 the International Institute for Applied Systems Analysis (IIASA). Housed in an old baroque palace in Laxenburg (near Vienna) provided and modernised by the Austrian Government, IIASA examines models for the future in energy, raw material and population policies and by now counts 17 member nations. Its chairman is professor J. Gvichiani of the Soviet Union, and the Executive Director is an American computer specialist, Dr. R. E. Levien.

It goes without saying that Austria's bid for recognition as an international centre of science and research costs a lot of money. The UN Conference on Science and Technology, for example, was made possible by a Sch 66m (about £2.2m) budget with two-thirds provided by the Federal State and one-third by the Municipality. But there is not much point in adding up the direct and indirect expenditures, from the billions spent on the office complex on the left bank of the Danube to the provision of communication centres and other facilities for the various international gatherings. As Chancellor Kreisky succinctly but aptly put it, "a large army would cost us more and bring us less."

Dislike by the provinces

'HE AUSTRIAN writer and ritic Hans Woigel recently aised in a brilliant essay about ne Austrian character the hetorical question: What xactly is the common feature f "the Austrians"? And came to ne conclusion that there is one ingle unifying bond: they all re against Vienna. . . .

Though he hastens to add that ne aversion in the provinces is lmost nothing compared to the rumbling of the Viennese nemselves about their city, the vords reflect the latent tensions etween traditionally "red," osmopolitan and far-away 'ienna and the eight other rovinces, six of which are still overned by a "black," that is onservative, governor.

While it is true that the olitical factors have become ss important as the socialists, nder Dr. Bruno Kreisky, have onsolidated their dominant osition at all elections held in he last nine years, the deeply ntrenched animosity, or at the ery least indifference tinged vith dislike, *vis-à-vis* Vienna is s true of the socialist-governed Carinthia as of the solidly Catholic and People's Party-overned Tyrol.

Jolts

As so much in Austria, the relationship between the capital and the provinces is also coloured by the jolts caused hrough the transition from the mperial grandeur early this entury to the prosaic existence of a small country with the erstwhile metropolis becoming he "hydrocephalous head" — a capital of 2m for a shrunken state of only 6.5m people in 1919.

Though in the meantime Vienna's population has dropped to under 1.6m, accounting for 21 per cent of the 7.5m inhabitants of the country, the pull of neighbouring Germany and Switzerland and the 10-year Soviet occupation of eastern Austria have accentuated the effects of geographic realities. Who could overlook the simple fact, for example, that Bregenz, the capital of Vorarlberg, is as far away from Vienna as it is Paris?

These then are some of the reasons for the seemingly surprising initiative taken by the municipality of Vienna. Between June and October this year it has sent a mobile exhibition on a tour of 19 cities to forge closer ties between the much-maligned distant capital and the provinces.

Last but not least, the exhibition and a special issue of the city's illustrated monthly Wien Aktuell (a truly excellent guide to the problems and plans of Vienna) should convince the Austrians in the countryside and in the urban centres that Vienna is not enjoying a privileged position but in fact is putting much more into the central money bag than the others while receiving less.

Thus city councillor Mayr, in charge of finances, recently complained that Vienna is put at a disadvantage in the distribution of the transfer payments from the Leander to the federal state. According to his figures, for example, almost Sch 4bn of the wage tax and Sch 4.8bn of the turnover tax collected in Vienna were channelled to other provinces and communities.

As often before: the councillor spoke out in favour of more justice for the Viennese taxpayers, while recognising the need for development aid channelled to economically weaker areas. He suggested the establishment of a "solidarity fund."

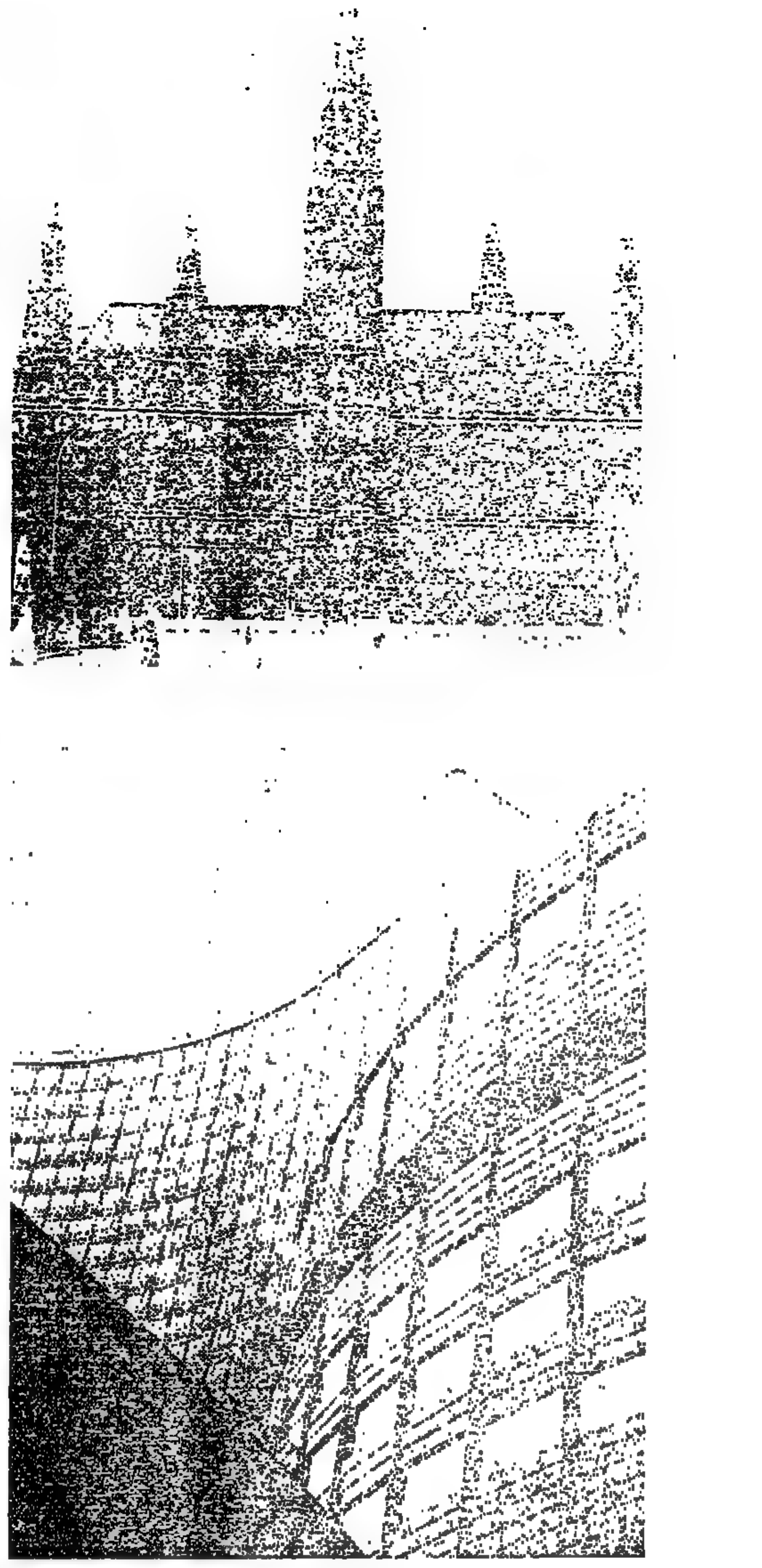
Needless to say, the Viennese authorities and publications use every conceivable argument, from the employment of commuters and the awarding of contracts for the Vienna underground, to the subsidies for water regulation and road building in order to prove that the capital is, as it were, exploited.

Burden

This is of course a double-edged argument since without the 100 000 commuters from the surrounding regions Vienna could not generate the production and investment and by implication also the tax revenues. It should also be recalled that one in four Viennese households has a week-end cottage in the country. Yet at the same time about 18 per cent of the hospital beds are taken by non-Viennese patients, which in turn means an extra burden of Sch300m for the Viennese taxpayer.

Meanwhile, it is interesting to note that while the Viennese make up a very considerable proportion of the overnight stays spent in the provinces by holidaymakers, two out of three Austrian visitors from the countryside come to the capital on business and not as tourists. The provinces of the eastern region—Vienna, Lower Austria and Burgenland — are more closely connected with one another due to the commuters and also to the curious fact dating back to the time 60 years ago when Vienna and Lower Austria were still one region, that Lower Austria's provincial government has its seat also in Vienna.

But there is indeed a wall of ignorance and prejudice still separating many Austrians living in the west, namely, Carinthia, Tyrol and Vorarlberg, and also in Styria and the capital. Therefore the problem is rooted not only in finance but also in deep-seated prejudices against the political and administrative centre which is at the same time situated on the eastern fringes of present-day Austria.



Vienna skyline old and new. Top, the Town Hall and, above, the new international centre

Image of the Viennese

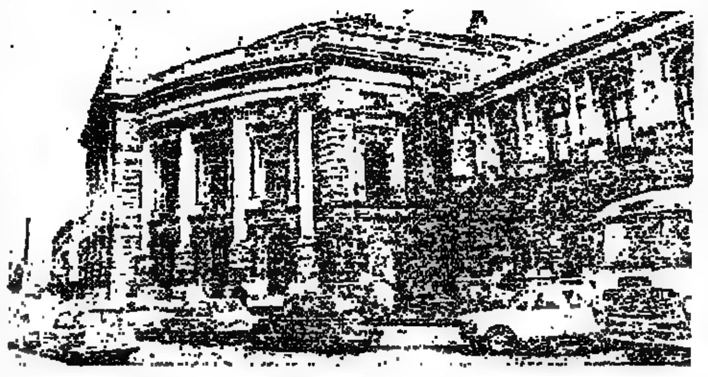
THERE ARE few great cities in the world whose image is so strongly shaped by cliches as Vienna and the attitude of the Viennese to the foreigners. The word "Gemuetlich," for example, is part of the legend, although none of the translations in the dictionary: "good-natured, sanguine, easy-going, kindly, genial, pleasant, cordial comfortable, tender," and so on, can capture the real meaning of the word.

Yet few foreigners who ever tried to share a crowded tram with Viennese or make their way home by car through the rush-hour traffic held up by innumerable road works and traffic jams would be tempted to speak about the charm and warmth radiated by those in the capital.

But then as the writer Hans Weigel so fittingly remarked, there is one unfailing yardstick to measure the integration of a newcomer: "As long as he is enthusiastic, he is a foreigner. As soon as he begins to complain, he has become a native."

The Viennese is a born raunzer (grumbler), yet he also resents it if his city is run down by an outsider. The Viennese belong to what the poet Anton Wildgans called "A nation of fiddlers and dancers," still enjoying the plays of Nestroy and Schnitzler, the music of Schubert and Johann Strauss, the "waltz kings," reflecting the twin facets of the Austrian character of gaiety and gravity, joy and sadness.

Few foreigners know, for example, that despite the image of outward gaiety Vienna has one of the highest suicide rates in the world. What the writer Hermann Bahr wrote half a century ago about the Viennese character is still being quoted as a timeless assessment: "The Viennese is a man profoundly unhappy with himself, who hates the Viennese, but cannot live without them."



Part of the city's life: the Burg Theatre

The relationship to foreigners is also ambivalent. It is of course partly the result of the curious phenomenon that it is almost impossible to define a Viennese. Their ancestors were more often than not Bohemians and Croats, Hungarians and Ruthenians, Poles and Italians rather than of pure German stock.

Origin

In a recent study on Czech family names in Vienna, based on the detailed investigation of the names of 737,000 inhabitants of the capital (that is just under half of the current population) the author concludes that 198,000 names, that is 27 per cent, are of Czech origin. A glance at the Vienna telephone directory suffices also to reveal a large proportion of Croatian and Hungarian names.

The Viennese and many Austrians living outside the capital are in fact grand- or great-grandchildren of those 753,000 migrants who between 1870 and 1910 came to Austria, primarily to Vienna, from Bohemia, Moravia, Hungary and Croatia. In 1910 35.0 per cent of the then 2.1m inhabitants were born in areas which today do not belong to Austria. By 1971 their proportion had dropped to 15.3 per cent.

Yet a recent film about the new UN office complex and the popular reactions to foreigners revealed the continued existence of deep-seated racial prejudices despite (or perhaps because of) the mixed ethnic origins of the inhabitants.

For instance, it is unlikely that most of the 130,000 foreign residents, let alone the 80,000 foreign workers (whom Austrians and Germans like to call misleadingly "guest workers"), would agree with the findings of a study commissioned by the municipality of Vienna.

A survey among 50 managers of 20 foreign subsidiaries in Vienna is claimed to have produced the result that 90 per cent of those asked regarded the population as being "very friendly." Occasional articles in popular daily newspapers reflect a xenophobic line, as did some statements in a television documentary recently shown.

Music and theatre offer plenty of scope for another basic element in the Viennese character. Anything controversial or scandalous from the world of opera, theatre or music festivals immediately becomes a subject of impassioned public controversy in a country which spends more money on subsidising the State opera and the National Theatre than on the running of the Foreign Ministry and the entire diplomatic service.

Melancholy

The scandals about squandering of taxpayers' money on what critics regard as poor productions or on alleged kick-backs to the directors of municipal housing and siting corporations are discussed in great detail in the heurigen, the wine gardens and cellars surrounding Vienna in a large half circle as a wall of fortifications.

"Der Heurige" is a deeply democratic and time-honoured institution. The wooden benches in the genuine wine gardens are shared by all layers of society. The zither or accordion players play and sing the melancholy and fatalistic Viennese songs, in one way or another always referring to death, to "the end."

But drinking a glass of the intoxicating new wine, the Viennese people, young and old, prefer to recall the theme of Die Fledermaus, Johann Strauss masterpiece: "Happy is he who forgets what cannot be changed."

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BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

APPOINTMENTS

Richard Martin to head Ind Coope

Mr. Richard G. Martin has been appointed chairman of IND COOPE from September 3 with overall executive responsibilities and will succeed Sir Derrick Holden-Brown, who is to remain a director of the company. The parent concern is Allied Breweries. Mr. Martin started his career in the brewing industry in 1955 and was a director of Friary Meux when that company joined Ind Coope in 1964. He became managing director of Ind Coope (East Anglia) in 1966 and three years later moved to Leeds to join Tetleys as Tied Trade director and in 1973 became that company's chief executive. In 1978 he was made vice-chairman of both Joshua Tetley and Son and Tetley Walker, when those companies expanded to take in the breweries at Leeds and Warrington.

*

Mr. Michael Nightingale has been appointed vice-chairman and Mr. Robin Hodgson, managing director, of M. J. H. NIGHTINGALE AND CO., investment bankers. Colonel F. T. Davies remains chairman. Mr. Nightingale, founder of Nightingales in 1968, will concentrate on the development programme of the firm as a whole and Mr. Hodgson will assume management responsibility. Mr. Hodgson, who was Conservative MP for Walsall North until the last general election, has been with the firm since 1972 and has been particularly associated with the development of the over-the-counter market.

*

Mr. A. J. Seager has been appointed an executive director of MIRRLEES BLACKSTONE (STAMFORD), a member of the Hawker Siddeley group. He joins the company from Paxman Diesels where he was manufacturing manager.

*

Mr. Neil Chilvers has been appointed financial controller of TRANSLINE at Brandesburton, North Humberside.

*

BLAW KNOX has formed a marketing department and Mr. Rex Ward has become marketing director responsible for Blaw Knox, Rochester products, as well as those of Muir-Hill of Gloucester. Both concerns are part of Babcock Construction Equipment. Mr. Eric Merrifield has been made sales director of Blaw Knox following six years as general manager of the crane and mining division of Babcock Construction Equipment.

*

Mr. Nicholas Bratt has been appointed vice-president-research for SCUDDER STEVENS AND CLARK, fund managers, New York.

*

Dr. Peter Duncumb has been appointed director of TI Research Laboratories in succession to Dr. D. W. Pashley, who is leaving TUBE INVESTMENTS to become Professor of Materials and head of the Department of Metallurgy and Materials Science at Imperial College of Science and Technology. Dr. D. A. Melford is to be deputy director. Dr. Duncumb has worked at Hinxton Hall, TI's Central Research Laboratories near Cambridge, for nearly 20 years and was closely associated with Dr. Melford in the development of the world's first scanning microanalyser and the EMMA

Dr. Peter Duncumb

series of combined electron microscopes and microanalysers. Dr. Melford joined Hinxton Hall in 1957. He was appointed head of the Metallurgy Department and became an assistant director in 1972.

*

Mr. John Hogg has been appointed general manager of ALBRIGHT AND WILSON INTERTRADE, which was formed last January to facilitate Albright and Wilson's business with the Eastern European Socialist Republics. He will be based at Warley, near Birmingham, and will take up his new post before the end of the year. Herr Eberhard Richter has joined the Vienna branch of A&W Intertrade to be responsible for sales in Hungary and Bulgaria. Mr. Stanley Robinson, at present export area sales manager for Poland, will be in charge of sales in the German Democratic Republic. Mr. Hogg will take over direct responsibility in the short term for the company's sales in USSR. Sterling Trade GmbH of East Berlin is now A&W Intertrade's exclusive representative in the GDR.

*

Mr. Michael Sweatman, formerly an assistant general manager of BARCLAYS BANK INTERNATIONAL, head office, has been appointed an assistant general manager to the regional general manager, BBI, North America, from October 3. He will be moving to New York. Mr. Peter Cawsey, chief manager, Gracechurch branch of Barclays Bank International, will become chief manager, 33 Old Broad Street branch, on the amalgamation of that branch and the Gracechurch branches in the New Year.

WORLD STOCK MARKETS

Dow drifts 2 points early in active trading

INVESTMENT DOLLAR PREMIUM

$2.60 to £1—30½% (31¾%)

Effective $2.2185 11¾% (11¾%)

STOCKS WERE lower as the market continued to consolidate recent gains.

Chase Manhattan Bank raised its broker loan rate on Tuesday to 11¾ and was joined yesterday by several other banks.

The Dow Jones Industrial Average was just under two points lower and advances led declines about seven to five on a volume of about 18m shares at midday.

Reliance Electric resumed trading off four points to 59 and is now trading off 3¾ to 59¼.

Active **Pittston** was up 1¼ to 24½. Pittston said its Brink's subsidiary is completely insured for the $2m in cash stolen in a New York City robbery on Tuesday.

Closing prices and market reports were not available for this edition.

Pay Less Drug Northwest gained 2¾ to 24⅜. It plans to sell all its common stock to the investment firm of **Kohlberg Kravis, Roberts and Company** for $114.4m or $26 a share.

Yesterday's volume was bolstered by two big blocks of **Norton Simon** of 1.07m shares. Both blocks traded at 16¾, up ⅛.

American Exchange prices were mixed with volume of 2.31m shares.

Most active, **McCulloch Oil** was up ⅛ to 7¼, followed by **Houston Oil and Mineral** up ⅛ to 23 and **Imperial Oil "A,"** unchanged at 33⅞.

R. H. Medical lost 2 to 15¼. It said negotiations concerning a proposed combination with a non-profit teaching institution in Philadelphia have been scrapped.

Canada

The market continued to advance in active trading as the Composite Index gained 6.3 to 1,663.6. Twelve of 14 indices advanced and winners led losers 187 to 145.

Consumers Distributing at 15⅛ and **Revelstoke Companies** at 11 rose ⅛. Both plan to merge.

Imperial Oil "A" gained ⅛ to 39⅞. The company plans a U.S.$250m debenture issue.

On a higher London fix, gold issues advanced as **Dome Mines** rose ⅞ to 45⅝, **Campbell Red Lake** ⅞ to C$22⅞, **Kerr Addison** ⅛ to C$10⅜ and **Dickenson Mines** ⅛ to C$5⅛.

Volume was 3,333,342 shares compared with 3,503,359 in the previous session.

In Montreal share prices were higher in active trading as the Composite Index rose over a point and all leading indices advanced.

Mining issues continued to advance as **Alcan Aluminium** rose ⅜ to 45⅞ and **Inco** ⅛ to C$24⅞. **Noranda** at 18¼ and **Hudson Bay Mining** at 23⅜ added ⅛.

Bank of Nova Scotia rose ⅛ to C$25⅜. **Bank of Montreal** ⅛ to C$24⅛ and **Royal Bank** ⅛ to C$45.

Volume was 339,679 shares compared with 352,240 Tuesday.

Paris

French share prices moved irregularly with a fairly steady undertone in moderately active trading dominated by technical factors connected with the approaching new accounting period in the forward share market.

Gold mining shares among foreign stocks were very firm after the metal's strong rise.

Construction, public works and electrical shares were firmer among French stocks.

Most sectors were irregular, including banks, insurances, property and investment companies as well as oils.

Foreign oil shares were firm, while U.S. and Dutch stocks eased and Germans were mixed.

Germany

Most leading shares closed weaker after trading on low turnover, with potential buyers holding off until today's Bundesbank central council meeting, and with an absence of foreign investors.

Hoesch firmed 30 pfennigs against the trend after parent **Estel NV Hoesch-Hoogovens** announced a second quarter Fl 10m pre-tax profit against a previous loss of 14.2m, while other steels eased or were unchanged. **VW** and **BMW** led autos down DM 1.50, **Deutsch** led banks down DM 2.30 and **GHH** led engineerings down DM 1.

In Electricals, **Siemens** shed Dm 1.20 and **AEG** eased 0.90, while elsewhere **Veba** firmed Dm 0.30 against the trend.

Option trading was brisker with well maintained prices and main attention focused on Sperry Rand two month call options. Turnover 2,000.

On the domestic bond market public authority paper was very narrowly mixed with the Bundesbank buying Dm 500,000, after selling 1.7m on Tuesday. Mark foreign loans were up to 50 pfennigs weaker.

Hong Kong

After the improved interim results from **Hongkong and Shanghai Bank** stock prices recovered from the week's lows on local institutional buying.

The Hang Seng Index rose 11.92 points to close at 590.89, on local with a lack of overseas interest in the market. Trading was moderately active, with turnover slightly above Tuesday.

Hongkong Bank rose 70 cents to HK$14, **Hong Kong Electric** 15 to HK$4.675, **Hongkong Land** 20 to HK$8.70, **Hongkong Wharf** 75 to HK$36, **Hutchison Whampoa** 15 to HK$4.95, and **Jardine Matheson** 30 to HK$11.40.

Elsewhere, **Cosmopolitan Properties** eased 6 cents to HK$1.72, **Great Eagle** 15 to HK$4.55 and **Hongkong Hotels** 10 to HK$18.20, while **Associated Hotels** added 7.5 cents to HK$3.175, **Cheung Kong** 10 to HK$13, **China Provident** 25 to HK$31.50 and **Green Island Cement** one to HK$30.75.

Tokyo

Moderate trading, led by GIB capitals and speculative issues. Share prices closed higher.

The market average rose 12.51 to 6,415.80 with a volume of 310m shares. The Tokyo Stock Exchange Index was 451.92 up 0.57.

Hitachi, Toshiba, Mitsubishi Electric and other big capitals gained on increased buying interest, helped by orders from foreign investors, while vehicles and electricals were also higher.

Some oils, minings and other resources-related shares which rose initially, closed lower on late profit-taking.

Nippon Electric Fujitsu and other communication equipments gained on good business prospects, while **Kao Soap** advanced on reports that it will raise detergent prices next month.

Toyota Motor, Sony, Sharp, Mitsumi Electric were higher, but TDK electronic and shippings fell.

The second market closed firmer in active trading, with a volume of 12m shares.

Switzerland

News of yesterday's hike in time deposit rates by Switzerland's major banks sparked an overdue technical reaction. Prices closed easier on a broad front after opening very steady or higher.

The sharp rise in bullion prices did not influence the market.

Schindler and **Motor-Columbus** in mixed financials and **Bank Leu** and **Credit Suisse** in barely steady banks were among the few gainers.

Slightly higher shares in easier industrials included **Jelmoli, Globus Bearer, Brown-Boveri** registered and **Sandoz** participation certificate.

Bonds did not react noticeably to the hike and closed well maintained.

Dollar stocks traded mostly below overnight New York closing levels with Dutch international barely steady and German shares sharply lower.

Milan

The market closed firm in fairly active trading on mainly technical considerations.

Fiat, Montedison, Assicurazioni Generali, both **Pirellis** and **Olivettis, Snia Viscosa** and **Finsider** all gained. Elsewhere, **Italcementi** and **Mediobanca** lost ground against the trend.

Bonds were steadier with **ENEL** indexed encountering buying interest.

Amsterdam

Share prices closed mainly lower, with **Philips** and **Royal Dutch** unchanged and **Hoogovens** Fl 2 down because of fears about the effect of higher costs on future Estel results.

Estel announced a small second quarter profit after a loss last year. **Akzo** fell 0.10 in spite of its higher first half profit and expectations of resuming dividends.

Other falls included **Dell** Fl 2, **Pakhoed** Fl 1.70 and **Van Ommeren** Fl 1. **NMB**, Fl 1, rose in mixed banks, investment funds put on Fl 0.50 and **Bols** and **Nedlloyd** about Fl 1.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
● SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. % h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. A Interim since increased.

NEW YORK

† Bid. § Asked. ‡ Traded. ‖ New stock.

Indices

NEW YORK—DOW JONES

	Aug. 21	Aug. 20	Aug. 17	Aug. 16	Aug. 15	Aug. 14	1979 High	1979 Low	Since Compil'n High	Since Compil'n Low
◆ Industr'ls	888.91	888.52	883.36	884.04	885.84	875.28	885.84 (15/8)	807.00 (27/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	86.02	85.83	86.01	85.86	86.10	85.74	88.19 (16/8)	82.82 (8/5)	—	—
Transport	279.55	279.31	269.70	269.86	271.77	268.71	271.77 (15/8)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	109.51	109.24	109.78	109.00	108.93	108.49	109.15 (17/8)	98.51 (16/5)	163.32 (20/4/69)	10.58 (28/4/42)
Trading Vol. 000's	38,960	33,390	31,740	47,580	48,250	47,980	—			

◆ Day's high 892.32 low 880.63

	Aug. 17	Aug. 10	Aug. 3	Year ago (approx)
Ind. div. yield %	5.57	[illegible]	5.75	5.25

STANDARD AND POORS

	Aug. 21	Aug. 20	Aug. 17	Aug. 16	Aug. 15	Aug. 14	1979 High	1979 Low	Since Compil'n High	Since Compil'n Low
‡Indust'ls	121.61	120.88	120.01	119.70	119.89	118.98	120.01 (17/8)	107.08 (27/2)	134.54 (11/1/73)	3.52 (30/6/32)
§Composite	108.99	108.93	108.30	108.09	108.25	107.52	108.30 (17/8)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Aug. 15	Aug. 8	Aug. 1	Year ago (approx)
Ind. div. yield %	5.02	5.13	5.22	4.70
Ind. P/E Ratio	8.41	8.21	8.07	9.99
Long Gov. Bond Yield	8.89	8.85	8.91	8.54

N.Y.S.E. ALL COMMON

Aug. 21	Aug. 17	Aug. 16	Aug. 15	1979 High	1979 Low
62.07	61.70	61.56	61.69	61.56 (16/8)	53.88 (27/2)

Rises and Falls	Aug. 21	Aug. 20	Aug. 17
Issues Traded	1,908	1,895	1,892
Rises	710	802	694
Falls	725	573	738
Unchanged	466	520	460
New Highs	80	—	80
New Lows	3	—	3

MONTREAL

	Aug. 21	Aug. 20	Aug. 17	Aug. 16	1979 High	1979 Low
Industrial	287.48	285.78	279.16	274.85	285.78 (20/8)	215.19 (2/1)
Combined	282.62	280.17	275.06	272.59	276.15 (28/5)	225.90 (2/1)
TORONTO Composite	1657.25	1640.7	1619.2	1606.9	1657.25 (21/8)	1316.8 (2/1)
JOHANNESBURG Gold	308.2	286.8	288.5	301.6	308.4 (25/5)	222.4 (17.4)
JOHANNESBURG Industrial	349.6	342.1	338.4	337.3	338.4 (17/8)	270.5 (2/1)

EUROPEAN OPTIONS EXCHANGE

Series			Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	April Vol.	April Last	Stock
ABN	C	F.340	—	3	—	—	—	—	F.336.50
AKZ	C	F.25	—	—	—	—	1	6.50	F.29.70
AKZ	C	F.30	5	1	27	1.60	12	3.70	"
AKZ	C	F.35	3	0.10	—	—	—	—	"
AKZ	P	F.27.50	—	—	32	0.70	—	—	"
AKZ	P	F.30	—	—	40	1	—	—	"
ARB	C	F.70	2	3.70	—	—	—	—	F.72.50
ARB	C	F.75	—	—	5	3.70	—	—	"
ARB	C	F.80	9	0.30	—	—	—	—	"
EK	C	$60	—	—	—	—	1	3¾	$57⅞
HO	C	F.27.50	—	—	—	—	1	7	F.32.10
HO	C	F.30	3	3	10	3.50	—	—	"
HO	C	F.32.50	19	1	43	1.70	—	—	"
HO	C	F.35	28	0.20	25	1.20	—	—	"
HO	C	F.37.50	100	0.10	—	—	—	—	"
IBM	C	$75	—	—	—	—	4	4½	$70½
KLM	C	F110	43	2.90	26	6.40	5	9	F.106.50
KLM	C	F.120	45	0.90	27	3	—	—	"
KLM	P	F.110	15	5	35	6.50	—	—	"
KLM	P	F.120	10	14.50	10	15	—	—	"
NN	C	F.115	—	—	—	—	1	7	F.115.20
NN	C	F.120	—	—	3	2.90	—	—	"
PET	C	Fr.4400	10	74	—	—	—	—	Fr.60.40
PET	C	Fr.4800	1	800	—	—	—	—	"
PET	C	Fr.5600	—	—	10	31	—	—	"
PHI	C	F.22.5	110	2.10	10	2.70	50	3.20	F.24.10
PHI	C	F.25	5	0.50	32	1.10	10	1.60	"
PHI	C	F.27	5	0.10	77	0.40	—	—	"
PHI	P	F.25	—	—	4	1	—	—	"
RD	C	F.130	12	8	—	—	—	—	F.147.60
RD	C	F.135	13	13	—	—	—	—	"
RD	C	F.140	54	8.80	—	—	—	—	"
RD	C	F.145	15	4.7	—	—	—	—	"
RD	C	F.150	56	1.30	7	4.60	10	7.50	"
RD	C	F.160	256	0.50	24	2.20	—	—	"
RD	P	F.140	—	—	26	2	—	—	"
RD	P	F.145	85	3	—	—	1	5	"
UNI	C	F.135	—	—	20	1.20	—	—	F.128.50
XRX	C	$70	—	—	4	3¼	—	—	$67⅞
			Nov.		Feb.		May		
BAZ	C	$50	—	—	4	2⅞	—	—	$46¼
			Sept.		Dec.		Mar.		
GM	C	$60	—	—	2	1½	—	—	$58⅞
GM	C	$70	—	—	—	—	—	¼	"

TOTAL VOLUME IN CONTRACTS 1640

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	14 %
Allied Irish Bank Ltd.	14 %
Amro Bank	14 %
American Express Bk.	14 %
Henry Ansbacher	14 %
A P Bank Ltd.	14 %
Associates Cap. Corp.	14 %
Banco de Bilbao	14 %
Bank of Credit & Cmce.	14 %
Bank of Cyprus	14 %
Bank of N.S.W.	14 %
Banque Belge Ltd.	14 %
Banque du Rhone et de la Tamise S.A.	14½%
Barclays Bank	14 %
Bremar Holdings Ltd.	15 %
Brit. Bank of Mid East	14 %
■ Brown Shipley	14 %
Canada Perm't Trust	14 %
Cayzer Ltd.	14 %
Cedar Holdings	14 %
■ Charterhouse Japhet	14 %
Choulartons	14 %
C. E. Coates	14 %
Consolidated Credits	14 %
Co-operative Bank	*14 %
Corinthian Secs.	14 %
Credit Lyonnais	14 %
The Cyprus Popular Bk.	14 %
Duncan Lawrie	14 %
Eagil Trust	14 %
English Transcont.	14 %
First Nat. Fin. Corp.	15½%
First Nat. Secs. Ltd.	15½%
■ Antony Gibbs	14 %
Greyhound Guaranty	14 %
Grindlays Bank	‡14 %
■ Guinness Mahon	14 %
■ Hambros Bank	14 %
■ Hill Samuel	§14 %
C. Hoare & Co.	†14 %
Julian S. Hodge	15 %
Hongkong & Shanghai	14 %
Industrial Bk. of Scot.	14½%
Keyser Ullmann	14 %
Knowsley & Co. Ltd.	15½%
Lloyds Bank	14 %
London Mercantile	14 %
Edward Manson & Co.	15 %
Midland Bank	14 %
■ Samuel Montagu	14 %
■ Morgan Grenfell	14 %
National Westminster	14 %
Norwich General Trust	14 %
P. S. Refson & Co.	14 %
Rossminster	14 %
Ryl. Bk. Canada (Ldn.)	14 %
Schlesinger Limited	14 %
E. S. Schwab	15 %
Security Trust Co. Ltd.	15 %
Shenley Trust	16 %
Standard Chartered	14 %
Trade Dev. Bank	14 %
Trustee Savings Bank	14 %
Twentieth Century Bk.	15 %
United Bank of Kuwait	14 %
Whiteaway Laidlaw	14½%
Williams & Glyn's	14 %
Yorkshire Bank	14 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%, 1-month deposits 11¾%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12% and over £25,000 12¼%.
‡ Call deposits over £1,000 11½%.
§ Demand deposits 11½%.

Farm ministry objects to coal mine waste dumping

BY CHRISTOPHER PARKES

THE MINISTRY of Agriculture has thrown a new obstacle in the path of National Coal Board plans to exploit coal reserves estimated at 600m tonnes beneath the Vale of Belvoir in North East Leicestershire.

Mr. Michael Heseltine, Secretary of State for the Environment has been told that "for agricultural reasons" he should not allow mining waste to be tipped on farming land in the area.

The Ministry added that if its objections were over-ruled the Coal Board should at least be forced to restore land spoiled by tipping to standards set by the Ministry of Agriculture.

Apart from the cost of contouring spoil heaps, replacing topsoil, rebuilding fences and making good other material damage to the local farming industry, the Coal Board would also be expected to pay the salaries and other costs of Ministry of Agriculture supervisors on the site.

The National Farmers' Union, which claims that 2,000 acres of prime farm land would be taken out of production by the Belvoir project, has been heartened by the Ministry's intervention.

But there are strong doubts the farming industry, and in Whitehall, that Mr. Heseltine—the ultimate authority in the dispute—will allow the coal reserves to go unexploited.

A full inquiry begins in October with Mr. Michael Mann, QC, in the chair. Opposition from the NFU will be bolstered by the Country Landowners' Association, Leicestershire County Council and environmental groups.

The county council claims the Coal Board has not proved the necessity of extracting the coal and objects to the cost of building roads, new houses and supplying educational and social facilities.

The Country Landowners' Association retained Dr. Alice Coleman, London University geographer, to prepare a case against the mining plans.

She claimed that the amount of land affected by the mining would be four times NCB estimates.

The Board said yesterday that around the three pitheads planned at present over a period of 50 years it would need 672 acres of land at the Hose site for spoil dumping, 281 acres at Asfordby and 568 acres at the Saltby mine.

It stressed, however, that not more than 7.5 per cent of this area would be out of agricultural production at any one time.

Sugar exports higher

By Our Commodities Staff

WHITE SUGAR export authorisations rose at yesterday's weekly EEC Commission tender, the third of the new campaign. But London traders said the total was still below the anticipated level.

Based on early guesses by Commission sources on the amount of sugar to be exported, traders had expected export allotments to average about 50,000 tonnes a week. At yesterday's tender 35,750 tonnes were authorised for export compared with 28,250 tonnes last week. All offers for raw sugar exports were refused.

The Commission cut the maximum export rebate to 27.790 European currency units (ECUs) per 100 kilos from 27.938 last week. But dealers thought this mainly reflected the higher white sugar price on the world market.

Raw sugar futures prices moved higher in early dealings on the London market with the December quotation reaching £113.25 at one stage. But the price fell back later to close £0.575 down at £112.2 a tonne.

Dealers said the early rise was encouraged by reports that Syria had paid "a good price" for a cargo of whites at its buying tender on Tuesday and rumours that the Dominican Republic had sold another cargo, bringing its recent sales to 120,000 tonnes.

U.S. SUGAR LEGISLATION

An exercise in futility

BY NANCY DUNNE IN WASHINGTON

WHEN THE House of Representatives takes up the proposed International Sugar Stabilisation Act of 1979 in the autumn, it will be with a considerable sense that the debate, though loud, may be an exercise in futility.

The legislation, which contains the long-awaited Congressional approval of the International Sugar Agreement, sets a base domestic price of 15.8 cents per pound—0.8 cents above current U.S. levels—and provides a 0.5 cents a pound subsidy for sugar producers with a limitation of $50,000 per recipient.

The base price would be achieved by increasing import fees and, if necessary, imposing quotas on foreign sugar. Additional increases, to be based on production costs, of not more than 7 per cent a year would be allowed in 1980 and 1981.

As with most legislation of its kind, providing assistance to special interests (in this case 14,000 farmers representing about 1 per cent of total U.S. farms) at a cost to taxpayers and consumers, the Bill is a compromise package which pleases no one greatly and displeases a great many.

Similar legislation was defeated at the end of the last Congressional session by a coalition of sugar refiners, large industrial users and consumer groups. The same coalition is in effect this year with a strengthened hand—an inflation rate currently running at 13.2 per cent.

Until February, the President had insisted that any price level above 15 cents a pound would be inflationary, but he finally gave in and agreed to a 15.8 cents support price.

Pressing for a 17 cents level were two key Democratic committee chairmen representing states with powerful sugar lobbies. Senator Russell Long, of Louisiana, chairman of the Senate finance committee, and Senator Frank Church of Idaho, chairman of the Foreign Relations Committee. Senator Church has held up ratification of the ISA, insisting that it be linked with a price support programme of his liking.

Rep. Thomas Foley, chairman of the House Agriculture Committee, introduced the legislation with the admission that "in the short run it may cause a very modest increase in food prices." But, he said, without a new sugar programme to replace legislation which expires at the end of the 1978 crop-marketing season "sugar prices will likely be more volatile and more inflationary in the longer run."

He contended that domestic producers, whose production costs may run as high as 18 cents a pound, are being put out of business by cheap imports. Since the failure to enact a Sugar Bill last year, nine cane mills have failed and two large processing firms have closed some facilities.

Proponents of the legislation, expressing "no overwhelming confidence" that they can muster votes for their measure (opponents are saying it will certainly be defeated), are regrouping behind an alternative proposal. It would provide for the implementation of the ISA along with the lifting of the 50 per cent *ad valorem* limitation on import fees which prevents the domestic price from rising much above 15 cents.

Since the President is responsible for setting import fees, administration officials are said to have agreed that levels would be set at 15.8 cents per pound if the alternative legislation can be passed.

The fall-back proposal has the advantage of eliminating subsidies, which have become increasingly unpopular in the budget-conscious Congress. It might also bring back into the supporting camp Hawaiian sugar producers who withdrew in protest at the $50,000 ceiling.

Consumer-oriented Congressmen would prefer no sugar legislation at all. Mr. Peter Peyser, a New York democrat, complains that the Government already adds 5.5 cents a pound to the price of sugar through import fees and duties, costing consumers $2.6bn a year. It is estimated that the proposed legislation, if passed, would cost consumers next year an additional $180m and the Treasury, about $112m.

The legislation is opposed—albeit silently—by many of the President's own economists. Mr. Alfred Kahn, the President's inflation adviser who first termed the 15.8 cents level "unthinkable," later became uncharacteristically quiet about the proposal. Asked about it at a Congressional hearing he replied, "let the record show an embarrassed silence."

While Congress and the Administration are being squeezed between the sugar and consumer lobbies, the domestic market is undergoing a change. Americans, the world's largest consumers of sugar, are using less cane and beet sugar and more corn-based fructose. Since the record high sugar price levels of 1974, consumption of beet and cane sugar have consistently dropped while consumption of corn-based sweeteners and saccharin has risen.

Use by soft drink makers, the biggest users of sucrose and fructose, rose from about 24 pounds of corn-based sweeteners per head to almost 34 pounds between 1973 and 1978.

The trend detracts from one argument of the Bill's supporters: that should American sugar producers be driven out of business, the country may someday be at the mercy of a foreign sugar cartel. As is not the case with oil, Americans seem to be turning willingly enough to a substitute commodity.

The sugar legislation will only be brought up in the Senate after it passes the House, where the main fight is expected to take place. Until, or unless, it passes, sugar proponents in the Senate are less willing than their colleagues to embark upon an exercise in futility.

UN plan for Third World fishermen

NEW YORK—A $35m programme aimed at helping developing countries with extended fishing limits to benefit from their new resources has been announced by the UN Food and Agriculture Organisation.

Presenting the plan, Mr. Kenneth Lucas, assistant director-general of the FAO fisheries department, said the FAO programme would include both medium- and long-term measures, and the Organisation would give immediate priority to assessing fisheries development opportunities.

Work was already under way in Malaysia, West Africa, the Philippines and the Seychelles.

In the longer term FAO would provide specialised advisory and technical assistance to help nations assess their fisheries resources and the best use that can be made of them, Mr. Lucas said.

Mr. Lucas said fish accounted for about 55 per cent of the animal protein consumed in Asia and 24 per cent in Africa, and by the year 2000 demand for fish could well double.
Reuter

Rise in silver

BY JOHN EDWARDS, COMMODITIES EDITOR

SILVER PRICES rose sharply yesterday following the surge in gold. The London bullion market spot quotation in the morning was lifted by 15.9p to 428.95p an ounce.

Values eased on profit-taking in the afternoon. On the London Metal Exchange, cash silver closed 3.35p up at 425.6p an ounce, since the market had already risen substantially on Tuesday afternoon.

Traders said the rise in silver was encouraged by the market breaking through a significant chart buying point. At the same time, the rise was accelerated by covering of previous sales by speculators who had gambled on the price going lower.

Free market platinum values were also boosted by gold. The afternoon quotation was £3.45 up at £182.15 an ounce. While the Russians are reported still to be reluctant sellers, the Japanese are not — showing much buying interest—and the market is dominated at present by the trend in gold.

The recent rally in gold has confounded speculators, who switched out of precious metals into base metals, notably copper.

Significantly, copper came under selling pressure after moving higher initially in the wake of gold and the early gains were wiped out in later trading.

In the lead market, the cash price lost £6 to £514.5 a tonne and closed below the three-months quotation for the first time since October last year.

This suggests that the shortage of supplies, which has been the dominant influence in pushing prices to record levels, has eased. But traders warned that the market is still vulnerable to supply "squeezes" should Russian buying interest be revived.

Grain crop up

TOKYO—Japan's 1979 wheat and barley harvest is expected to be around 1m tonnes, the largest since 1970's 1.05m tonnes, Agriculture Ministry sources said here. With 80 per cent of the harvest completed, the wheat crop is 287,900 tonnes, up 28 per cent over last year, while malting barley, at 282,400 tonnes, is 24 per cent up.
Reuter

Cider apple crop smaller

By a Correspondent

THIS YEAR'S cider apple harvest is expected to be a light one but will not lead to a cider shortage. Leading manufacturer, H. P. Bulmer of Hereford, which processed a record 60,000 tonnes of apples last season, says it does not expect to receive more than 25,000 tonnes from growers in the West Midlands and Kent this autumn.

Mr. Geoff Potter, the company's general orcharding manager, said trees had exhausted their reserves while bearing last year's huge tonnage. There was still a large amount of juice in store from last season, he said, and this would be used to supplement this season's reduced yield.

Aid for Malaysia's landless

TEMERLOH, MALAYSIA — Malaysia, with World Bank help, is carrying out crop plantations from the virgin jungles of Pahang State in its largest land settlement scheme.

The Federal Land Development Authority (FELDA) has so far cleared 110,000 acres and planted oil palm, rubber, cocoa and coffee.

Another 40,000 acres out of the total 300,000 acres of virgin forests in the Jengka Triangle have also been cleared to provide homes for settlers.

Other lands will be kept as forest reserves to conserve timber stocks.

The World Bank gave the Malaysian Government loans totalling $52m for the three-phase Jengka Triangle development.

In the first stage, between 1968 and 1975, FELDA cleared nearly 30,000 acres for crops and moved in 2,883 landless families. A similar area was cleared between 1970 and 1977 to resettle about the same number of families. The third stage, scheduled to end in 1981, will cover 40,000 acres for the benefit of 3,200 families.

Selected families are moved in only two years after the land has been planted with rubber, oil palm or other crops. Each family receives 10 acres of cultivated land and a two-bedroom timber house.

Each family is also given a monthly subsistence allowance of 100 ringgit ($45) and offered contract work as FELDA employees while the crops mature.

Many work at one of the seven palm oil mills, a cocoa factory and a rubber processing factory already set up on the settlements.

Last year, most settler families earned up to 600 ringgit ($275) monthly from their 10-acre holdings, compared with average monthly income of villagers living outside the settlements of only 150 ringgit ($70).
Reuter

Indian jute trade improves

By Our Own Correspondent

CALCUTTA — Indian jute goods exports, currently affected by the bargemen's go-slow on the Hooghly River, have been doing well since the end of the 50-day strike early this year.

A leap in the registration of export contracts for the April-July period, which, at a total of 220,000 tonnes represented a rise of 30 per cent over the figure for the corresponding period of 1978, has given rise to high hopes for the industry's export income from jute goods this year. The Indian Commerce Ministry has already set a target of 500,000 tonnes.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Barely changed on balance on the London Metal Exchange. After moving over the £900 level on the early pre-market, reflecting the strength of silver and gold, forward metal came under trade selling. This, together with a downturn on Comex, after a firm opening, saw the price fall to £885.5 prior to a close on the late kerb of £891. Turnover 9,800 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £900, 899.98, 95. Cathodes, three months £877, 76. Kerb: Wirebars, three months £894. Afternoon: Wirebars, three months £891, 90, 89, 89.5, 86, 85.5. Cathodes, three months £868. Kerb: Wirebars, three months £888, 90, 92, 90, 91, 92, 93, 93.5, 93, 92, 91.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	898-.5	+12.5	886.5-8.5	—.5
3 months	895-.5	+14.5	886-.5	+4
Settlem't	898.5	+12.5	—	......
Cathodes				
Cash	859-60	+8	863-5	......
3 months	875-6.5	+10.5	868-9	+.5
Settlem't	860	+7	—	......
U.S. Smt.	—	......	*84-87½	......

TIN—Marginally easier. Forward metal opened at £6,675 but fell back to trade around £6,640 owing to hedge selling. Thereafter the price moved narrowly, dipping to £6,630 but rallying to close the late kerb at £6,640. Turnover 385 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6590-610	+5	6600-10	—30
3 months	6645-55	+25	6645-50	—22.5
Settlem't	6610	+10	—	......
Standard				
Cash	6590-610	+5	6600-10	—20
3 months	6635-45	+25	6635-40	—22.5
Settlem't	6610	+10	—	......
Straits E.	$1884	+4	—	......
New York	—	......	—	......

Morning: Standard, three months £6,670, 40. Afternoon: Standard, cash £6,610, three months £6,630, 40, 45, 40, 41, 40. Kerb: Standard, three months £6,640, 35.

LEAD—Lower. Forward metal rose to £525 on the pre-market in line with firmer copper and silver. However, the downturn in copper brought out profit-taking which depressed the price to £515 around lunchtime. Values picked up in the afternoon with forward metal finally £519 on the late kerb. Turnover 6,400 tonnes.

Morning: Cash £520, 17, 16, three months £525, 24, 23.5, 23, 22, 17, 15, 14.5, 15, 19. Kerb: Three months £517, 16, 15, 16, 17. Afternoon: Three months £516, 15, 15.5, 15, 16, 14, 15, 14.5, 15, 16. Kerb: Three months £517, 18, 19, 20, 19, 18.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	514.5-5.5	—4.5	514-5	—8
3 months	517-8	—2	516-7	—5
S'ment	515.5	—4.5	—	......
U.S. Spot	—	......	*58-62	......

ZINC—Easier as persistent selling from one quarter depressed forward metal from £293 to £283 before a modest rally saw the price close at £285. Turnover 2,850 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	279-80	—5.5	275-6	—6
3 months	290-1	—5.5	285-.5	—5.75
S'ment	280	—7	—	......
Prim w'st	—	......	*39.5	......

Morning: Cash £280, three months £293, 92, 88, 90. Afternoon: Three months £285, 86, 87, 88, 88.5. Kerb: Three months £285, 85.5.

ALUMINIUM—Fell away from £700 on the early pre-market to close at £693, reflecting the trend in other metals. Turnover 2,400 tonnes.

Alumn'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	701-3	—5.5	697-9	—11
3 months	696-7	—1	693.5-3	—6.75

Morning: Three months £697. Kerb: Three months £696, 96.5. Afternoon: Three months £696, 95, 93, 93.5, 92.5. Kerb: Three months £693.5, 94.

NICKEL—Held steady. Forward metal traded between £2,670 and £2,630 before closing at £2,635 on the late kerb. Turnover 708 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2575-9	+15.5	2570-80	+5
3 months	2640-50	+7.5	2630-40	—8

Morning: Cash £2,580, three months £2,650, 40, 45. Afternoon: Three months £2,640, 35.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

COFFEE

Although expected to be slightly higher, London coffee futures opened around unchanged levels after immediate resistance had halted a further move upwards, reported Drexel Burnham Lambert. There was no fundamental news and values remained in a narrow range throughout the day. Towards the close trade buying boosted the volume considerably and prices finished £4.5 to £27.5 down from Tuesday.

COFFEE	Yesterdays Close	+ or —	Business Done
	£ per tonne		
September	1771-72	—13.0	1787-1761
November	1823-25	—14.5	1830-1817
January	1821-25	—12.5	1837-1821
March	1775-78	—14.0	1794-1775
May	1765-66	—18.0	1783-1762
July	1750-60	—20.0	—
Sept	1745-60	—27.5	—

Sales: 4,235 (3,228) lots of 5 tonnes.

ICO Indicator prices for August 21 (cents per pound). Other Mild Arabicas 200.33 (199.00). Robustas ICA 1976 184.00 (182.00). ICA 1968 184.25 (182.25). Colombian Mild Arabicas 206.50 (204.00). Unwashed Arabicas 200.00 (198.50). Comp. daily ICA 1968 196.72 (194.08).

GRAINS

The market opened 10 lower and moved up to 20 lower with pressure especially on wheat. Barley was always attracting buyers on any dips if only on wheat barley spreads. Aggressive shipper buying in barley forced values to close between 15-20 points higher. Wheat closed between 5-10 points lower in good volume with strong hedge selling in the distants, reported Acli.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yesterdys close	+ or —
Sept.	91.05	—0.10	86.50	+0.15
Nov.	95.00	—0.05	91.00	+0.20
Jan.	99.35	—0.10	95.30	+0.20
Mar.	102.75	—0.05	98.80	+0.20
May	105.95	—0.05	102.00	+0.20

Business done—Wheat: Sept. 91.15-91.00, Nov. 95.05-94.95, Jan. 99.40-99.25, March 102.75-102.60, May 105.95-105.80. Sales: 296 lots of 100 tonnes. Barley: Sept. 86.90-86.65, Nov. 90.95-90.70, Jan. 95.30-95.00, March 98.75-98.75, May 102.00-101.85. Sales: 198 lots of 100 tonnes.

IMPORTED—Wheat: CWRS No. 1, 13½ per cent, unquoted. U.S. Dark Northern Spring No. 2, 14 per cent, Aug.-Sept. 101.75, Sept. 101, Oct. 101.50, transhipment East Coast. U.S. Hard Winter, 13½ per cent, Sept. 103. EEC unquoted. Maize: U.S./French Aug.-Sept. 108.50, transhipment East Coast. S. African White unquoted. S. African Yellow Sept.-Oct. 82.50 nominal. Barley: English Feed fob Aug. 88.75, Sept. 89.50, Oct.-Dec. 92.50, Jan.-March 100.00 East Coast. Sorghum: U.S./Argentine unquoted. Oats: Scandinavian feed unquoted.

HGCA—Location ex-farm spot prices. Feed barley: Eastern 82.90, E. Midlands 83.10, N. East 83.00, Scotland 84.00.

The UK Monetary Coefficient for the week beginning August 27 is expected to remain unchanged.

SILVER

Silver was fixed 15.9p an ounce higher for spot delivery in the London bullion market yesterday, at 428.95p. U.S. cent equivalents of the fixing levels were: spot 951.4c, up 35.5c, three-month 974.7c, up 38c; six-month 995.2c, up 38.7c; and 12-month 1,031.4c, up 38.8c. The metal opened at 423-424p (938-940c) and closed at 427½-428½p (948-950c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	428.95p	+15.9	425.6p	+3.35
3 months	441.85p	+15.9	438.6p	+4.2
6 months	453.25p	+17.4	—	......
12 months	474.20p	+17.7	—	......

LME—Turnover 209 (376) lots of 10,000 ozs. Morning: Cash 430, three months 443, 42.8, 42, 41.8, 42, 42.2, 42.5. Kerb: Three months 442.5, 42.3, 42, 41.5, 41.3. Afternoon: Three months 439.5, 39, 38.5, 38.8, 38.2, 38.1, 38.2, 38.7. Kerb: Three months 438.5, 38.4, 8.2, 8.5, 9, 9.5, 9.3.

COCOA

During a featureless day, cocoa futures weakened due to renewed Commission House selling before profit-taking pared losses at the close, reported Gill and Duffus.

COCOA	Yesterd'y's Close	+ or —	Business Done
Sept	1402-1403	+4.5	1481-1390
Dec	1453-1455	—17.0	1480-43
March	1486-1488	—26.5	1520-1485
May	1513-1515	—31.0	1544-1509
July	1540-1541	—28.5	1560-40
Sep	1560-1570	—28.5	1585-76
Dec	1591-1610	—27.0	—

Sales: 2,588 (3,016) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price Aug. 21: 145.39 (142.95); Indicator price for Aug. 22: 15-day average 141.60 (141.45); 22-day average 141.96 (142.06).

RUBBER

The London physical market opened about unchanged with little interest throughout the day, closing on a quiet note. Lewis and Peat reported a Malaysian godown price of 279 (277) cents a kilo (buyer, September).

No. 1 R.S.S.	Yesterd'ys Close	Previous Close	Business Done
Sept	57.50-57.75	58.15-58.40	57.70
Oct	58.30-58.80	58.90-58.55	—
Oct-Dec	59.05-59.25	59.75-59.80	59.75
Jan-Mar	62.10-62.15	62.75-62.85	65.20-62.15
Apr-Jne	64.35-64.40	65.00-65.05	65.50-64.35
Jly-Sept	66.80-66.85	67.50-67.60	67.10-66.85
Oct-Dec	69.30-69.35	70.00-70.10	69.90-69.35
Jan-Mar	71.75-71.85	72.50-72.80	71.80
Apr-Jne	74.25-74.50	75.05-75.10	74.50-74.25

Sales: 222 (239) at 15 tonnes, 4 (36) at 5 tonnes.

Physical closing prices (buyer) were: Spot 57.25p (57.50p); Sept. 62.50p (same); Oct. 62.50p (62.75p).

SOYABEAN MEAL

The market opened with gains of £1.00-£1.50 on light short-covering, reported T. G. Roddick. The market remained quiet and prices eased on profit-taking to close with only small gains.

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
August	—		
October	114.50-14.8	+0.60	115.50-116.00
December	120.00-20.3	+0.20	121.50-119.90
February	122.30-22.4	+0.15	123.30-122.40
April	123.70-25.0	+0.65	—
June	124.00-25.0	+0.05	124.90
August	124.50-28.0	+0.50	—

Sales: 60 (11) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £103.00 (£102.00) a tonne cif for Aug.-Sept.-Oct. shipments. White sugar daily price was £112.00 (£112.00).

A lower than expected New York opening quickly erased the morning's gains and the market closed barely steady, some £0.75 below overnight levels, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
Oct.	109.25-09.50	108.35-08.45	109.10-08.25
Dec.	112.15-12.25	112.75-12.60	115.25-12.25
March	120.00-20.10	120.45-20.50	121.10-20.25
May	125.25-25.50	125.20-25.85	124.35-25.75
Aug.	126.00-28.50	128.10-28.20	—
Oct.	131.50-32.25	132.25-32.50	132.75-32.50

Sales: 965 (1,244) lots of 5 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £297.35 (same) a tonne for home trade and £171.50 (£170.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for August 21: Daily price 8.82 (8.97); 15-day average 8.66 (8.63).

WHITE SUGAR—Close (in order buyer, seller, business, sales): Nov. 113.50, 114.00, 114.00-113.50, 46; Feb. 120.50, 121.00, 121.50-120.50, 40; April 124.50, 126.00, 125.75, 4; July 128.00, 130.00, nil, nil; Sept. 132.00, 132.25, 132.50-132.25, 24; Nov. 135.00, 138.00, nil, nil; Feb. 138.00, 143.00, nil, nil. Sales, 114.

HIDES — Leeds: Market weaker. Second Clear Ox.31-35.5 kilos. 83.5p a kilo withdrawn (85.5p a kilo); 26-30.5, 83.5p a kilo withdrawn (87.0p); 22-25.5, 86.3p withdrawn (88.0p). Light cows 86.0p withdrawn (88.0p withdrawn).

GRIMSBY FISH—Supply good, demand fair. Prices at ship's side (unprocessed) per stone: Shell cod £4.00-£5.00, codlings £2.60-£3.40; large haddock £4.00-£4.70, medium £3.00-£4.20, small £1.80-£2.30; large plaice £4.60-£5.40, medium £4.40-£5.20, best small £3.80-£4.70; skinned dogfish (large) £8.50, medium £7.50; lemon soles (large) £7.50, medium £7.00, rockfish £2.80; saithe £1.60-£2.20.

WOOL FUTURES

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Micron contract: Oct. 410.0, 411.0, 413.0-411.0, 28. Dec. 418.0, 418.5, 420.0-418.0, 43; March 427.0, 428.0, 429.0-427.0, 79; May 430.0, 431.0, 432.0-429.5, 38; July 431.0, 432.0, 431.5-431.0, 12; Oct. 431.5, 432.0, 432.0-432.0, 19; Dec. 433.5, 435.0, 433.5-433.0, 5. Sales: 224.

LONDON GREASY (in order buyer, seller only): Oct. 218.0, 33.0; Dec. 218.0, 38.0; March, May, July, Oct., Dec. 228.0, 38.0.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller only): Oct. 180, 85.0; Dec. 180.0, 85.0; March 181.0, 91.0; May, July, Oct., Dec. 181.0, 93.0.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 84 tonnes, bringing the total for the week so far to 489 tonnes. Minor replenishment needs were under review but the offtake was only patchy. Most of the support came in African and Middle Eastern qualities.

PRICE CHANGES

In tonnes unless otherwise stated.

	Aug. 22 1979	+ or —	Month ago
Metals			
Aluminium	£710/50	......	£710/50
Free Mkt (cs)	$1580/1550	—10	$1,520/40
Copper			
Cash w'bar	£887.5	—0.5	£804.25
3 mths „	£886.25	+4	£823.5
Cash Cathode	£864	......	£782.75
3 mths „	£868.5	+0.5	£805.5
Gold troy oz.	$309.375	+6.75	$305.875
Lead cash	£514.5	—6	£543.5
3 mths	£516.5	—3	£524.6
Nickel	£2654	......	£3,225.4
Freemkt cif lb	255/280c	—2.5	250/275c
Platin'mtr'y oz	£155.5	......	£155.5
Free mkt	£182.15	+3.45	£175.05
Quicksilver	$290/310	+5	$280/300
Silver troy oz	428.95p	+15.9	404.6p
3 months	441.85p	+15.9	416.35p
Tin Cash	£6,605	—20	£6,395
3 mths	£6,637.5	—22.5	£6,530
Tungsten	$143.12	......	$143.12
Wolfrm 22.04 cif	$142/147	......	$134/140
Zinc cash	£275.5	—6	£318
3 months	£286.25	—6.75	£325.25
Producers	$760	......	$845
Oils			
Coconut (Phil)	$1,010z	......	$1,140
Groundnut			
Linseed Crude	£405	......	£395
Palm Malayan	$652.0	......	$679
Seeds			
Copra Philip	$680y	......	$735.0
Soyabean (U.S.)	$313.80z	+3.85	$350.5
Grains			
Barley Futures	£91.00	+0.20	£91.80
Maize			
French No3AM	£106.50z	+0.75	£105.5
Wheat			
No. 1 Red Spg.		......	£94.50
No2HardWint.	£103.0	+2	£95.25
Eng. Milling†	£97.00z	......	
Other commodities			
Cocoa ship't	£1,535	—17	£1,442.5
Future Dec	£1,452.5	—17.0	£1,357.5
CoffeeFt'r Nov	£1,824	—4.5	£1,779
Cotton A.Index	77.40c	......	77.25c
Rubber (kilo)	57.25p	—0.25	56.50p
Sugar (Raw)	£105.0	—1	£92.5
Wooltp's 64s kl	271p	......	266p

* Nominal. † New crop. ‡ Unquoted. s Aug.-Sept. t Sept. w Sept.-Oct. x Oct. y Oct.-Nov. z Indicator. § Buyer.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 62.0 to 67.0; Eire hindquarters 73.0 to 81.0, forequarters 42.0 to 44.0. Lamb: English small 60.0 to 62.0, medium 58.0 to 60.0, heavy 54.0 to 58.0; Scottish medium 56.0 to 60.0, heavy 54.0 to 58.0. Imported frozen: NZ PL 49.0 to 49.5, PM 48.0 to 49.0. Pork: English, under 100 lb 35.0 to 44.0, 100-120 lb 36.0 to 43.0, 120-160 lb 36.0 to 42.0.

MEAT COMMISSION—Average fatstock prices at representative markets on August 22. GB cattle 80.51p per kg. l.w. (—0.35); UK sheep 141.8p per kg. est.d.c.w. (+0.4), GB pigs 63.6p per kg. l.w. (+2.8). England and Wales: Cattle numbers down 2.4 per cent, average price 80.42p (—0.39). Sheep numbers down 4.7 per cent, average price 142.3p (+0.3); Pig numbers down 1.8 per cent, average price 63.6p (+2.8). Scotland: Cattle numbers down 34.0 per cent, average price 80.81p (—0.34); Sheep numbers down 19.0 per cent, average price 133.0p (—0.1): Pig numbers up 76.9 per cent, average price 64.2p (+10.8).

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—S. African: Valencias 4.00-4.70, Navels/Proteas 3.80-4.30; Brazilian: 2.50-2.80; Californian: 5.00. Lemons—Italian: 100/150s 5.50-6.00; Spania: trays 30/40/45 2.80; Argentinian: 88/100/113 7.50; S. African: 8.00; Jaffa: trays 2.30-3.10. Grapefruit—S. African: 27/72 3.80-6.05. Apples—French: Golden Delicious, new crop, boxes 40 lb 150/175 4.00, Italian: Rome Beauty per pound 0.08; S. African: Granny Smith 2.00-2.50; New Zealand: Red Dougherty 5.00; Granny Smith 7.30, Sturmers 4.00, Tasmanian: Sturmer Pippin 4.00. Pears—Spanish: Williams per pound 0.14. French: Guyots 28 lb 2.60-2.80, Williams 3.50; Italian: Williams per pound 0.16-0.17. Plums—Italian: per pound Burbanks 0.08, Belles 0.08, Giant Prunes 0.08, Stanley 0.10; French: Gages 0.12, Hungarian: Switzens 6 kilos 1.00. Grapes—Cypriot: Sultana 0.18-0.20, Thompson 0.20, Alphonse 0.25, Rozaki 0.25; Italian: Regina 10 lb 1.50-1.60. Spanish: Alphonse per pound 0.20. Nectarines—Italian: C/B/As 4.50-5.50, French 28s 3.00. Bananas—Jamaican: per 28 lb 4.00. Avocados—S. African: 3.60-4.20. Melons—Spanish: Yellow honeydew 10 kilos 6/14s 2.20-2.50. Onions—Spanish: 3.50-5.20; Dutch: 3.60. Tomatoes—Jersey: per tray 1.20-1.40; Guernsey: 1.40-1.60; Dutch: 1.50. Cabbages—Dutch: White, net 4.50. Potatoes—Cypriot: 1.80-2.00. Peaches—Italian: 1½ trays Cs 1.80, Bs 2.40-2.50, As 2.60-2.80, AA 3.00.

English Produce: Potatoes—New crop per bag 2.00-2.20. Lettuces—per 12 round 1.00-1.20, Cos 1.20-1.40. Mushrooms—per pound 0.60-0.70. Apples—per pound Bramley 0.05-0.10, Grenadiers 0.04-0.05, Howgates 0.05-0.06, George Cave 0.08, Discovery 0.10-0.14, Millers 0.06. Plums—per pound Czars/Rivers 0.05-0.06. Tomatoes—per pound 1.20-1.40. Cucumbers—trays 8/18s 1.00-1.40. Cauliflowers—12s Lincoln 1.30-1.60. Celery—boxes 12/30s 1.00, large cartons 20/24s 2.20-2.30. Peas—per pound 0.13-0.14. Broad beans—per pound 0.05. Onions—per bag 3.80-4.00. Carrots—per bag 0.80-1.00. Beetroots—per bag 0.80-1.00. Marrows—per 18s 0.80. Capsicums—per pound 0.20-0.25. Swedes/Turnips—per 25/28 lb 1.00. Stick beans—per pound 0.12-0.15. Runner beans—per pound 0.08-0.10.

AMERICAN MARKETS

NEW YORK, August 22.

THE BULLISH impact of the over-subscribed U.S. Treasury gold auction as well as the new high price paid ($301.00) carried into Wednesday's trading. Both silver and gold showed sizeable gains although both retreated from their best levels on good trade buying in the U.S. and abroad. The grains and soyabeans came under moderate pressure with prospects of a return to sunny, dry weather for the next five days. The livestock complex was mixed with pressure on cattle prices offset by gains in hogs and pork bellies as buying for the long Labour Day weekend is being completed. Copper closed lower despite good trade support. Coffee was mixed over a narrow range on a total lack of any news. Sugar was fractionally lower on moderate trade selling. The cotton market was coasting along on moderate speculative selling and profit-taking, Heinold reported.

Copper—Aug. 86.40 (87.90), Sept. 86.40 (87.90), Oct. 86.80, Dec. 87.85, Jan. 87.95, March 88.40, May 88.55, July 88.60, Sept. 88.65, Dec. 88.70, Jan. 88.75, March 88.85, May 88.95, July nil.

*Gold—Aug. 311.20 (307.00), Sept. 311.80 (307.40), Oct. 314.20, Dec. 320.40, Feb. 326.30, April 331.90, June 337.50, Aug. 342.90, Oct. 348.40, Dec. 353.80, Feb. 359.10, April 364.30, June 369.40.

*Platinum—Aug. nil (403.10), Sept. 407.70 (397.70), Oct. 407.70, Jan. 404.50, April 410.00, July 414.50, Oct. 419.00, Jan. 424.00. Sales: 2,213.

Potatoes (round whites)—Nov. 66.0 (66.0), March 87.5 (87.0), April 107.8, May 127.0. Sales: 243.

Tin—683.00-700.00 asked (681.00-695.00).

§Silver—Aug. 951.3 (937.5), Sept. 953.7 (935.3), Oct. 961.8, Dec. 978.0, Jan. 985.1, March 999.3, May 1012.5, July 1025.7, Sept. 1038.9, Dec. 1058.0, Jan. 1064.4, March 1077.3, May 1090.2, Handy and Harman bullion spot 945.5 (929.40).

CHICAGO, August 22.

Lard—Chicago loose 25.50 (25.00). New York prime steam unavailable.

Live Cattle—Oct. 64.35-64.70 (65.07-64.77), Dec. 65.65-65.80 (65.75-65.72), Jan. 66.75-66.90, Feb. 66.90-67.15, April 68.20, June 69.80, Aug. 68.90, Oct. 68.25, Dec. 68.70. Sales 31,172.

Live Hogs—Oct. 35.95-36.00 (35.00-35.07), Dec. 36.40-36.30 (36.02-36.35), Feb. 38.45-38.35, April 37.25-37.00, June 41.65-41.75, July 41.87-41.85, Aug. 40.55, Oct. 39.55, Dec. 40.55. Sales: 6,763.

Pork Bellies—Aug. 35.25-35.05 (34.00-35.15), Feb. 42.60-42.50 (42.62-42.55), March 43.30-43.05, May 44.27-44.25, July 45.25-45.30, Aug. 44.10. Sales, 7,230.

‡‡Maize—Sept. 283½-284¼ (286¾), Dec. 285¼-285 (289¼), March 295¾-295½, May 301¼-301½, July 304½, Sept. 305.

Silver—Aug. 955.0 (938.9), Sep. 953.6 (935.6), Oct. 962.1-962.1, Dec. 978.7-978.7, Feb. 993.6, April 1005.5, June 1019.5, Aug. 1032.6, Oct. 1045.8, Dec. 1059.1, Feb. 1072.6, April 1086.3, June 1100.2, Aug. 1114.3, Oct. 1128.6, Dec. 1143.1, Feb. 1157.6, April 1172.7, June 1187.8, Aug. 1203.1.

‡Soyabeans—Aug. 727 (734), Sep. 721½-722 (723¾), Nov. 718-720, Jan. 731½-723, March 746, May 655-655½, July 761½, Aug. 761.

||Soyabean Meal — Aug. 192.50 (193.50), Sep. 192.60-192.30 (194.20), Oct. 193.00-193.20, Dec. 196.00-196.30, Jan. 198.30, March 200.70-200.30, May 202.50-202.90, July 203.00-203.70, Aug. 205.00, Sep. 206.00-206.50.

Soyabean Oil — Aug. 29.50-29.10 (30.00), Sept. 28.15-28.10 (28.67), Oct. 27.07-27.05, Dec. 26.40-26.36, Jan. 26.40-26.35, March 26.40-26.35, May 26.40, July 26.50-26.40, Aug. 26.35-26.40, Sept. 26.20-26.25.

‡Wheat—Sept. 442½-441½ (448½), Dec. 454½-453½ (461½), March 465-465½, May 464½-465½, July 442-441, Sept. 446.

WINNIPEG, August 22. §Barley—Oct. 108.70 (107.40), Dec. 106.30 (105.40), March 104.70-104.80, May 104.50, July 103.70.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 236.20 (237.90).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. § Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, August 22.

Wheat—U.S. No. 2 Dark Hard Winter, 13.5 per cent, Sept. $206, Oct. $208, Nov. $210, Dec. $213. U.S. Hard Winter Ordinary unquoted. U.S. No. 2 Red Winter Sept. $195, Oct. $204, Nov. $206. U.S. No. 2 Northern Spring 14 per cent, Aug. $202, Sept. $201, Oct. $207, Nov. $214.

Maize—U.S. No. 3 Corn Yellow afloat $123, Aug. $136, Sept. $141, Oct. $143, Nov. $144, Dec. $147.50, Jan.-March $152.50, April-June $152.50, sellers, Jan.-March $152 traded.

Soyameal—44 per cent protein U.S. afloat $230, Aug. $230, Sept. $238, Oct. $246, Nov.-March $250, April-Sept. $255. Brazil Pellets afloat $237, Aug. $239, Sept. $246, Oct. $256, April-Sept. $261.

PARIS, August 22.

Cocoa (FFr per 100 kilos)—Sept. 1311-30, Dec. 1350-60, March 1385-1405, May 1400-1440, July 1515, Sept. 1425. Sales at call 0.

Sugar (FFr per 100 kilos)—Oct. 1072-75, Nov. 1070-80, Dec. 1104-08, March 1172-75, May 1200-05, July 1205-30, Aug. 1220-40, Oct. 1245-60. Sales at call 4.

INDICES

FINANCIAL TIMES

Aug. 21	Aug. 20	M'nth ago	Year ago
287.30	285.27	282.47	245.58

(Base: July 1, 1952=100)

MOODY'S

Aug. 21	Aug. 20	M'nth ago	Year ago
1087.3	1075.6	1084.7	930.5

(December 31, 1931=100)

DOW JONES

Dow Jones	Aug. 21	Aug. 20	Month ago	Year ago
Spot	401.14	397.88	407.57	357.82
F'tur's	413.20	409.60	414.62	364.22

(Average 1924-25-26=100)

REUTERS

Aug. 22	Aug. 21	M'nth ago	Year ago
1577.1	1567.3	1543.1	1452.6

(Base: September 18, 1931=100)

COMPANY NOTICES

NIPPON DENSETSU KOGYO CO. LTD.

NOTICE TO MEMBERS OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 37th Ordinary General Meeting of the Shareholders of the Company will be held on Thursday, August 30th, 1979, at 10.00 a.m. in the Tokyo Kagu-Kaikan at 24-13 Yushima—3 Chome, Bunkyo—Ku, Tokyo, for the following business:

To consider and if deemed fit, to pass with or without modification the following resolutions:

PROPOSAL NO. 1
Approval of balance sheet as of May 31st, 1979, and business report, statement of earnings and plan for appropriation of retained earnings for the 37th Business Term (from June 1st, 1978-May 31st, 1979).

PROPOSAL NO. 2
Election of 19 Directors due to expiration of the term of office of all Directors.

PROPOSAL NO. 3
Election of Two (2) statutory auditors on account of expiration of the term of office of both incumbent statutory auditors.

PROPOSAL NO. 4
Amendment of Remuneration for all Directors and Auditors.

PROPOSAL NO. 5
Grant of retirement allowance to retiring Directors and Auditors.

ROBERT FLEMING & CO. LIMITED
Depositary.
London.
23rd August, 1979.

LATEC INVESTMENTS LIMITED

NOTICE IS HEREBY GIVEN that the register of members and share transfer journal of the Company will be closed from 5 p.m., Friday, 14th September, 1979 to 5 p.m., Tuesday, 25th September, 1979 for the purpose of ascertaining those members entitled to participate in a new issue of shares at a premium of 10 cents per share on the basis of 3 new shares for each 5 held. Transfers will be accepted for registration up till 5 p.m., Friday 14th September, 1979 at the share register of the Company,
7th Floor,
66-70 William Street,
Sydney,
NSW 2000
or at the
London Register,
National Westminster Bank Ltd.,
National Westminster Court,
37 Broad Street,
Bristol BS99 7NH,
UK.
By Order of the Board.
T. W. WRIGHT, Secretary.
21st August, 1979.

THE COLNE VALLEY WATER COMPANY

NOTICE IS HEREBY GIVEN that the Transfer Books of the Ordinary and Preference Stocks will be closed for one day only on 4th September, 1979 for the preparation of the Dividend Warrants payable on 1st October, 1979.
Dated this 23rd day of August, 1979.
W. A. COSGROVE,
Secretary.
Blackwell House,
Aldenham Road,
Watford,
Hertfordshire WD2 2EY.

PUBLIC NOTICES

CITY OF NEWCASTLE-UPON-TYNE BILLS

£9,500,000 Bills issued 22nd August 1979 maturing 21 November 1979 at 13¹⁄₁₆%. Applications totalled £57,000,000 and there are £9,500,000 Bills outstanding.

BIRMINGHAM COUNCIL BILLS

£8.0m 91 day Bills issued 23rd August mature 22nd November, 1979. Applications totalled £77m. Minimum accepted price £96.68. Average rate of discount £13.3165%. Total Bills outstanding £23.5m.

SOLIHULL METROPOLITAN BOROUGH

£1,000,000 Bills due on 21st November, 1979 were offered on 22nd August, 1979 and were allocated at a rate of 13-21/64ths%. Applications totalled £10,000,000. This issue will bring the total of Bills outstanding to £4m.

HAMPSHIRE COUNTY COUNCIL BILLS

£4,000,000 Bills maturing on 19th September, 1979 were offered and issued on 22nd August, 1979 at an average rate of 13-17/64th% p.a. Total applications for this issue amounted to £28,000,000 and there are £39,000,000 Bills outstanding.

Markets featured only by advance in Gold shares
Industrial leaders inclined harder but Gilts ease

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
July 30	Aug. 9	Aug. 10	Aug. 20
Aug. 13	Aug. 23	Aug. 24	Sep. 3
Aug. 28	Sep. 6	Sep. 7	Sep. 17

* "New time" dealings may take place from 9.30 am two business days earlier.

With the exception of Gold shares, which moved ahead quite sharply in response to the record bullion price and of Australian mining exploration issues, better after domestic tax concessions, stock markets traded in extremely quiet fashion yesterday. The majority of leading industrials rarely strayed from overnight closing levels, but the undertone was more stable than the two previous days.

Interest in equity markets continued to be stifled by the prevailing uncertainty about the UK economic outlook, while buyers were also restrained awaiting today's half-yearly statement from ICI. Nevertheless, some industrial leaders edged higher from marginally easier levels at the opening, a tendency reflected in the FT 30-share index, which closed 1.2 up at 465.7, after having shown a modest loss of 0.7 at the 10 am calculation.

Trading statements from two index constituents, **BOC International** and **London Brick**, proved unexciting. Despite disappointment with the third-quarter figures, which came at the lower end of market estimates, BOC closed unaltered at 72p, after 70½p, while London Brick finished a shade easier at 64p following half-yearly results deemed also below expectations.

Among the equity sectors, Properties, which sustained losses ranging to 5 in the leaders following adverse Press mention about rents and asset valuations, provided one of the few areas worthy of note.

Gains in Gold shares ranged to a point and sometimes more and the Gold mines index jumped 10.3 to 180.8. The sharp rise in the price of bullion followed the latest U.S. Treasury auction result. Bids for the 750,000 ounces of gold offered totalled 2.26m ounces at an average price of $301.08; the German Dresdner Bank bid for and acquired 720,000 ounces.

Trade in Government stocks was uninspiring and the longer maturities drifted lower after having opened at the previous evening's slightly cheaper levels. High-coupon issues settled with losses stretching to ⅜, the partly-paid **Treasury** 11¾ per cent 2003-07 closing that much down at 55½. Short-dated stocks opened in steadier fashion but they too failed to attract much business and closed fractionally easier on the day.

A colourless session in the investment currency market ended with the premium ½ easier at 30½ per cent. The cheaper rate was mainly a reflection of the better trend in sterling. Yesterday's SE conversion factor was 0.8985 (0.8989).

The expiring August series provided a rare boost to business in the Traded option market with a total of 1,117 contracts completed. **Imperial** August 100, 185 deals, and **BOC** August 80, with 105 deals were in the forefront, while **EMI** recorded a total of 184 trades.

Overseas Banks firm

Overseas issues provided the focal points in the banking sector. Reports of an oil find off the south coast of Eire by the U.S. concern Marathon Petroleum induced demand for Irish issues and Allied Irish put on 7 to 125p, while the 10 per cent convertible 1998 rose 4 points to £136. **Bank of Ireland** rose 12 to 332p and the 10 per cent convertible 1991-96 advanced 7 points to £150. Australians made progress in the wake of the Federal budget with **ANZ** up 9 at 210p, **Commercial Bank of Australia** 8 higher at 156p, and **Bank of New South Wales** 5 to the good at 176p. Home banks drifted lower on lack of support. **Midland** eased 4 to 354p, after 350p, while NatWest relinquished 5 to 323p. Elsewhere, **Provident Financial** were notable for a speculative rise of 6 to 95p.

Insurances moved higher in places but the volume of business was small. **GRE**, 248p, and **Royals**, 343p, gained 6 apiece.

Standing 1½ higher awaiting the interim figures, **London Brick** gave ground on the announcement of substantially reduced profits and finished ½ cheaper on balance at 64p. Most other Buildings hovered around overnight levels in a subdued business, but **Phoenix Timber** shed 7 to 135p as bid hopes faded, while **A. Monk** eased 2 to 58p following the chairman's statement at the annual meeting giving reasons for the company's failure to meet the profit-forecast made in July last year. **Cement Roadstone** hardened 2 to 82p; the first-half results are due next Wednesday.

Awaiting today's interim results, **ICI** initially slipped to 335p before renewed demand lifted the price to 340p for a gain of 3 on balance.

House of Fraser down

Sporadic offerings in the absence of any support made for another dull day in the Store leaders. **House of Fraser** cheapened 3 to 138p awaiting today's interim figures, while **Marks and Spencer** closed a similar amount down at 110p. Still reflecting the poor annual results, **K. O. Boardman International** softened a penny more to 14½p.

Buyers returned to the Electrical sector and some useful improvements ensued. **Racal Electronics** were favoured and finished 7 to the good at 470p, while **Muirhead** added 10 at 246p and **Farnell** 5 at 245p.

Victor Products, up 8 at 143p, after 145p, in response to the good preliminary results, provided the main feature in an otherwise subdued Engineering market. Revived demand prompted a rise of 5 to 107p in **Hallite**, while the chairman's forecast of a considerable improvement in profits helped **Braithwaite** edge up 3 to 78p.

Despite the advice to shareholders not to sell their shares before hearing the company's defence against **Dalgety's** £73.6m bid, **Spillers** shed 1½ more to 47½p, with Dalgety 9 lower to 284p, the offer is now worth 47.3p per Spillers share. Elsewhere in Foods, the appearance of a solitary buyer prompted a gain of 4 to 86p in **Associated Biscuit**, while continued speculative demand lifted **Bernard Matthews** 5 to 297p.

Grand Metropolitan firmed 2 to 142p in response to the agreement for the acquisition of a substantial majority interest in Society Nouvelle Du Grand Hotel SA, a French luxury hotel concern.

BOC dip and rally

Third-quarter profits nearly £3m below the most pessimistic forecasts prompted an immediate mark-down in **BOC International** to 70½p but the appearance of buyers later helped the price pick up to close unchanged at the overnight level of 72p. Other miscellaneous industrial leaders edged forward in thin trading. **Rank Organisation** gained 4 to 214p and **Glaxo** rose 3 to 438p. Elsewhere, **Office and Electronic** stood out with a speculative spurt of 13 to 182p on bid hopes, while comment on the interim figures prompted a rise of 3 to 41p in **Dufay Bitumastic**. Revived investment support lifted **Vinten** 4 to 106p. **Provincial Laundries** hardened a fraction to 44½p on news of the group's proposed acquisition of Godalming Laundry.

Pleasurama firmed 10 to 172p on renewed speculative interest, but among Televisions, **LWT "A"**, at 146p, down 4, were unsettled by the deadlock in the ITV dispute.

Motor Distributors finished with modest gains, although business was slow. **Arlington** put on 5 to 107p following the chairman's remarks at the annual meeting about current trading.

Adverse Press comment on the outlook for rents and scepticism about asset values, prompted widespread falls in Properties. **Land Securities** finished 5 cheaper at 301p, after 300p, **MEPC** 3 off at 192p and **Great Portland Estates** 6 down at 324p, after 332p. **Stock Conversion** also shed 6 to 364p, while **Slough Estates**, 111p, and **British Land**, 71p, dipped 4 and 2½ respectively. A particularly firm market of late on the property revaluation, **Chesterfield** relinquished 5 to 270p.

BP dull

U.S. selling left **British Petroleum** 25 cheaper at 1,140p, but **Shell** held the overnight level of 322p. Outside the leaders, **Siebens UK** eased 4 to 262p. Elsewhere, **Ampol Petroleum** added 6 to 57p in response to the Australian Federal Budget, while the oil find off the south coast of Eire by Marathon Petroleum stimulated demand for **Aran Energy** 15 to the good at 140p.

In Overseas Traders, **S. Hoffnung** gave up 6 to 53p, being upset by the reduced annual profits.

The trend in Trusts was to slightly higher levels and **Rothschilds**, in receipt of a partial offer from Reliance of the U.S., improved 2 more to 263p. Among Financials, **Challenge Corporation** finished a net 4 up at 106p, after 108p, on the annual results and company's optimistic views about current trading.

Shippings ended with an easier bias. **Ocean Transport** improved a fraction initially, but on further consideration of the dividend warning, contained in Tuesday's mid-term results, slipped to close a net 3 off at 91p.

Confirmation of discussions in progress between **Imperial** and **Bats** aimed at the latter acquiring the former's 50 per cent holding in Mardon Packaging, thought to be valued at around £37m, left Bats 3 up at 281p. Imps cheapened a fraction to 91½p.

A strong sector on Tuesday, **Plantations** experienced little follow-through interest, although selective buying was seen of secondary issues. **Kinta Kellas** rose 15 to 158p, while **Sungei Bahru** added a like amount at 175p. **Bertam** were also in demand and closed 7 better at 175p. **London Sumatra**, however, succumbed to profit-taking and lost 4 to 301p. **Sogomana** were 10 lower at 320p. Among Teas, **McLeod Russell** put on 14 to 284p.

Golds surge ahead

The strong performance of the bullion price — finally $6.75 better at $309.375 an ounce, after a record $312 — following the outcome to Tuesday's U.S. Treasury gold auction, encouraged persistent and heavy buying of South African Golds.

The Gold Mines index advanced 10.3 to 180.8 — its best level since June 25 — while the ex-premium index put on 9.1 to 162.4.

Prices improved sharply in overnight American markets and consequently opened in London showing substantial gains on the previous day's close.

They continued to move ahead in the morning as Johannesburg and Continental buying entered the market but interest petered out in the afternoon and prices closed fractionally below the day's best.

Heavyweights showed **West Driefontein** £1½ better at £24½ and **Western Holdings** £1½ higher at £17½. Among the lower-priced issues, **Leslie** gained 6½ to a 1979 high of 89p.

South African Financials mirrored Golds. **"Amgold"** climbed ½ to £20½, **GFSA** and **Johnnies** rose a half-point apiece to £17½ and £17½ respectively, while **Anglo American** put on 8 to 372p.

De Beers, on the other hand, continued to reflect the marginal drop in half-year profits and the unchanged dividend; the shares were unaltered at 373p, although lower in dollar terms.

The rise in the bullion price directed buyers towards **Gold Fields** which rose 8 to 221p.

Australians edged higher but activity was disappointing in view of the performance of overnight domestic markets following the budget which prompted heavy gains in mining and oil stocks.

Coals fared well reflecting the reduction in the export levy on coal. **Utah Mining Australia** put on 7 to 227p and **Oakbridge** 4 to 91p. Dispelled fears of tax impositions on gold producers coupled with improved profits sent **Gold Mines of Kalgoorlie** 10 up to a 1979 high of 95p and **Poseidon** 5 better to 59p.

LONDON TRADED OPTIONS

Option	Ex'rc'se price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	1200	83	1	68	—	100	—	1143p
BP	1300	8	4	40	5	58	—	"
Cons. Gold	200	26	10	34	—	41	—	221p
Cons. Gold	220	16	1	22	16	31	—	"
Cons. Gold	240	8	5	14	10	20	10	"
Cons. Gold	260	2	—	4	60	—	—	"
Courtaulds	90	5½	—	7½	5	12	—	90p
GEC	350	66	—	83	2	94	—	386p
Grand Met.	138	9	—	15	7	—	—	141p
Grand Met.	178	1	—	4	—	—	—	"
Grand Met.	130	—	—	—	—	24	8	"
Grand Met.	160	—	—	—	—	10	8	"
ICI	330	16	10	26	—	33	—	339p
ICI	420	1	—	2	4	—	—	"
Land Secs.	280	28	3	41	—	54	—	301p
Land Secs.	300	15	30	31	—	44	—	"
Land Secs.	330	4	30	16	—	28	—	"
Marks & Sp.	110	7	45	13	3	17	—	111p
Marks & Sp.	120	3½	9	7½	—	12	—	"
Marks & Sp.	130	1	35	5	—	—	—	"
Shell	360	6	—	14	5	—	—	321p
Totals			173		117		26	
		August		**November**		**February**		
BOC Intl.	70	3	5	8	5	7½	—	72p
BOC Intl.	80	¼	105	2½	—	4	10	"
Boots	180	9	10	20	—	26	—	189p
Boots	200	¼	40	8	—	14	—	"
Boots	220	¼	5	2½	—	7	—	"
Boots	240	¼	21	¾	—	—	—	"
EMI	90	7	1	15	—	22	—	96p
EMI	100	¼	5	9	—	15	4	"
EMI	110	¼	17	7	—	9	—	"
EMI	120	¼	67	3	—	7	—	"
EMI	130	¼	17	2	—	—	—	"
EMI	140	¼	25	1	—	—	—	"
EMI	160	¼	46	—	—	—	—	"
Imperial Gp.	80	11½	8	14½	—	—	—	91p
Imperial Gp.	90	1½	22	6½	5	10	—	"
Imperial Gp.	100	¼	185	2½	—	6½	—	"
Imperial Gp.	110	¼	75	1	—	—	—	"
RTZ	260	29	—	40	2	52	—	288p
RTZ	280	9	1	28	—	40	—	"
RTZ	300	¼	16	17	—	29	—	"
RTZ	330	¼	36	10	—	19	—	"
RTZ	360	¼	69	3½	—	—	—	"
Totals			775		12		14	

FINANCIAL TIMES STOCK INDICES

	Aug. 22	Aug. 21	Aug. 20	Aug. 17	Aug. 16	Aug. 15	A year ago
Government Secs.	73.57	73.81	73.64	73.64	74.05	74.08	70.66
Fixed Interest	74.66	74.71	74.66	74.66	74.92	74.72	72.62
Industrial	465.7	464.5	467.4	474.2	479.7	474.2	519.2
Gold Mines	180.8	170.5	169.3	172.7	167.1	166.3	175.2
Gold Mines (Ex-$ pm)	162.4	153.3	151.7	152.7	147.1	147.0	112.1
Ord. Div. Yield	7.01	7.00	6.95	6.87	6.79	6.84	5.15
Earnings, Yld. % (full)	17.54	17.51	17.39	17.17	16.98	17.25	15.32
P/E Ratio (net) (*)	7.18	7.19	7.24	7.33	7.42	7.39	8.64
Total bargains	15,687	14,770	16,168	15,012	16,467	14,962	—
Equity turnover £m	—	64.18	82.84	69.10	83.61	65.35	98.02
Equity bargains total	—	11,180	12,677	10,559	11,946	10,272	21,827

10 am 463.8. 11 am 464.1. Noon 466.2. 1 pm 466.3.
2 pm 466.2. 3 pm 466.2.
Latest Index 01-246 8026.
*Nil=8.91.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	66.05 (15/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	446.1 (12/2)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	208.4 (6/6)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines Ex $pm	159.8 (8/6)	95.2 (2/11)	337.1 (3/4/74)	54.3 (25/6/76)

S.E. ACTIVITY

	Aug. 22	Aug. 21
Daily		
Gilt Edged	101.2	136.7
Industrials	104.5	143.8
Speculative	25.6	21.7
Totals	69.8	93.0
5-d'y Av'r'ge		
Gilt Edged	118.6	125.4
Industrials	125.3	138.9
Speculative	21.6	21.9
Totals	81.6	83.9

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (18)

BRITISH FUNDS (1)
Elect. 4¼pc 74-79
CANADIANS (2)
Gulf Oil Canada Hawker Sidd. Can.
ELECTRICALS (1)
Farnell Electronics
ENGINEERING (1)
Assoc. British Eng.
FOODS (1)
Hillards
INDUSTRIALS (4)
Applied Computer T. Johnson Cleaners
Bodycote Internatl. Renwick Group
LEISURE (1)
Pleasurama
PAPER (1)
Mills & Allen
TEXTILES (1)
Sekers
TRUSTS (2)
Dalgety West of England
OVERSEAS TRADERS (1)
Boustead
MINES (2)
Leslie Hampton Areas

NEW LOWS (15)

BANKS (1)
Guinness Peat
CHEMICALS (1)
Internatl. Paint
ENGINEERING (2)
Birmingham Pallet Sykes (H.)
FOODS (1)
Tate & Lyle
HOTELS (1)
Wheeler's Restaurants
INDUSTRIALS (2)
Hestair Rexmore
PAPER (1)
Bemrose
SHIPPING (1)
Ocean Transport
TEXTILES (1)
S.E.E.T.
TOBACCOS (1)
Rothmans Internatl.
OVERSEAS TRADERS (1)
Hoffnung
MINES (2)
Keralt Tin South Crofty

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	3	73	10
Corpns. Dom. and Foreign Bonds	3	3	59
Industrials	201	280	868
Financial & Props.	68	133	306
Oils	3	18	26
Plantations	6	7	18
Mines	85	11	49
Others	53	29	64
Totals	429	506	1,487

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 20	Aug. 31	Nov. 15	Nov. 26
Sep. 3	Sep. 14	Nov. 29	Dec. 10
Sep. 17	Sep. 28	Dec. 20	Jan. 7

For rate indications see end of Share Information Service.

Stocks favoured for the call included Cons. Gold Fields, ICI, Axam, Avon Rubber, Pacific Copper, Blackwood Hodge, Blue Circle, Brown Bros., Wadham Stringer, John Brown, Town and City Properties, Britannia Arrow, British Land and Mills and Allen. A put was completed in Decca, while doubles were arranged in Pacific Copper, Reardon Smith "A" and Beecham.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
Marks & Spencer	25p	9	110	− 3	134	83
GEC	25p	7	386	+ 2	456	311
ICI	£1	7	340	+ 3	415	314
Shell Transport	25p	7	322	—	402	278
Allied Breweries	25p	6	92	+ 1	102	80
RTZ	25p	6	288	+ 1	362	226
Courtaulds	25p	5	90	+ 1	122	82
Dalgety	£1	5	284	− 9	369	284
European Ferries	25p	5	136½	+ ½	183	121
Imperial Group	25p	5	91½	− ½	108	82
Midland Bank	£1	5	354	− 4	455	340
Ocean Transport	25p	5	91	− 3	117	91
Reed Intl.	£1	5	165	− 2	199	149
Spillers	25p	5	47½	− 1½	51	30½
Status Discount	10p	5	77	+ 2	85	20

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Arrow Chemicals	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Barlow Hldgs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Fairline Boats	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
160	F.P.	[illegible]	[illegible]	[illegible]	Mercantile House	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Mettoy Dfd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	St. George Assets 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
160	F.P.	[illegible]	[illegible]	[illegible]	Standard Tel. & Cables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Aurora 8¼% Conv. Cum. Pref.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Bradford Prop. 10¾% Cum. Pref.	[illegible]	[illegible]
100	F.P.	[illegible]	[illegible]	[illegible]	English & Overseas Inv. Conv.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Essex Water 9% Red. Pref. 1984	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Lonrho 9¼% 2nd Mort. Deb. 87/92	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Do. 12½% 2nd Mort. Deb. 86-90	[illegible]	[illegible]
97	F.P.	[illegible]	[illegible]	[illegible]	Do. 13¼% 2nd Mort. Deb.	[illegible]	[illegible]
100	F.P.	[illegible]	[illegible]	[illegible]	Scot. Agricultural Sec. 13½% Deb. 87-89	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Stonehill 10½% Cum. Pref.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Sund. & S. Shields Water 8% 1986	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Wrexham Water 8% 1984	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −
14	F.P.	[illegible]	[illegible]	[illegible]	Abwood Machine Tools	[illegible]	[illegible]
25	[illegible]	[illegible]	[illegible]	[illegible]	Bank & Commercial	[illegible]	[illegible]
110	[illegible]	[illegible]	[illegible]	[illegible]	Bank Leumi	[illegible]	[illegible]
A$2	[illegible]	[illegible]	[illegible]	[illegible]	Bank of New South Wales	[illegible]	[illegible]
30	[illegible]	[illegible]	[illegible]	[illegible]	Control Securities	[illegible]	[illegible]
21	[illegible]	[illegible]	[illegible]	[illegible]	Dares Estates	[illegible]	[illegible]
60	[illegible]	[illegible]	[illegible]	[illegible]	Goldberg (A.)	[illegible]	[illegible]
50	[illegible]	[illegible]	[illegible]	[illegible]	Hanson Trust	[illegible]	[illegible]
47	[illegible]	[illegible]	[illegible]	[illegible]	Hargreaves	[illegible]	[illegible]
115	F.P.	[illegible]	[illegible]	[illegible]	Hay's Wharf	[illegible]	[illegible]
88	[illegible]	[illegible]	[illegible]	[illegible]	Highland Dist.	[illegible]	[illegible]
155	F.P.	[illegible]	[illegible]	[illegible]	Holt Lloyd Intl.	[illegible]	[illegible]
10	[illegible]	[illegible]	[illegible]	[illegible]	Intl. Timber	[illegible]	[illegible]
30	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
110	[illegible]	[illegible]	[illegible]	[illegible]	Lennons	[illegible]	[illegible]
5	[illegible]	[illegible]	[illegible]	[illegible]	Letraset	[illegible]	[illegible]
5cts	Nil	[illegible]	[illegible]	[illegible]	London Inv. Trust	[illegible]	[illegible]
157	F.P.	[illegible]	[illegible]	[illegible]	Ovenstone	[illegible]	[illegible]
10	Nil	[illegible]	[illegible]	[illegible]	UBM	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Yorkgreen Invs.	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. |||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). • Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 income shares and 10 Capital shares at 125p per unit.

LEADERS AND LAGGARDS

The following table shows the percentage changes† which have taken place since December 29, 1978, in the principal equity sections of the FT Actuaries Share Indices. It also also contains the Gold Mines Index.

Property	+37.48
Food Retailing	+36.89
Stores	+29.66
Merchant Banks	+27.91
Electronics, Radio and TV	+26.01
Discount Houses	+23.53
Oils	+22.87
Breweries	+22.55
Gold Mines FT	+20.49
Mining Finance	+19.54
Overseas Traders	+15.97
Contracting and Construction	+ 3.00
Insurance (Life)	+14.[illegible]
Electricals	+13.[illegible]
Newspapers and Publishing	+13.2[illegible]
Financial Group	+12.[illegible]
Consumer Goods (Durable) Group	+12.74
All-Share Index	+11.6[illegible]
500-Share Index	+11.52
Building Materials	+11.32
Entertainment and Catering	+11.31
Banks	+11.04
Shipping	+10.42
Wines and Spirits	+10.2[illegible]
Industrial Group	+ 9.[illegible]
Investment Trusts	+ 5.[illegible]
Capital Goods Group	+ 5.17
Other Groups	+ 3.[illegible]
Hire Purchase	+ 3.[illegible]
Contracting and Construction	+ 3.0[illegible]
Tobaccos	+ 1.[illegible]
Food Manufacturing	+ 2.[illegible]
Metal and Metal Forming	+ 1.[illegible]
Insurance (Composite)	+ 1.0[illegible]
Chemicals	+ 0.[illegible]
Engineering Contractors	+ 0.[illegible]
Packaging and Paper	− 2.31
Mechanical Engineering	− 4.25
Motors and Distributors	− 5.74
Pharmaceutical Products	− 7.43
Office Equipment	− 9.53
Household Goods	−12.13
Textiles	−12.61
Insurance Brokers	−12.98
Toys and Games	−14.07

Percentage changes based on Tuesday, August 21, 1979 indices.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

		Wed., Aug. 22, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues. Aug. 21 Index No.	Mon. Aug. 20 Index No.	Fri. Aug. 17 Index No.	Thurs. Aug. 16 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	Building Materials (27)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (28)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Engineering Contractors (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (74)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11	CONSUMER GOODS (DURABLE) (52)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12	Lt. Electronics, Radio, TV (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13	Household Goods (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14	Motors and Distributors (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	CONSUMER GOODS (NON-DURABLE) (171)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Breweries (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23	Wines and Spirits (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24	Entertainment, Catering (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	Newspapers, Publishing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Packaging and Paper (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Stores (41)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37	Toys and Games (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (99)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43	Pharmaceutical Products (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Office Equipment (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Shipping (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Miscellaneous (58)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (494)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (115)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64	Hire Purchase (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (43)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Miscellaneous (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (50)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (750)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Wed. Aug. 22	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	[illegible]	[illegible]	[illegible]	[illegible]
2	5-15 years	[illegible]	[illegible]	[illegible]	[illegible]
3	Over 15 years	[illegible]	[illegible]	[illegible]	[illegible]
4	Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]
5	All stocks	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST YIELDS (British Govt. Av. Gross Red.)

			Wed. Aug. 22	Tues. Aug. 21	Year ago (approx.)
1	Low Coupons	5 years	[illegible]	[illegible]	[illegible]
2		15 years	[illegible]	[illegible]	[illegible]
3		25 years	[illegible]	[illegible]	[illegible]
4	Medium Coupons	5 years	[illegible]	[illegible]	[illegible]
5		15 years	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]

		Wed., Aug. 22 Index No.	Wed., Aug. 22 Yield %	Tues. Aug. 21	Mon. Aug. 20	Fri. Aug. 17	Thurs. Aug. 16	Wed. Aug. 15	Tues. Aug. 14	Mon. Aug. 13	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16	Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17	Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

THORIS

هكذا من الأصل

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Group (a)(g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.

Barclays Unicorn Ltd.

Baring Brothers & Co. Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Trust Management (a)(g)

The British Life Office Ltd.

Brown Shipley & Co. Ltd.

Canada Life Unit Tst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carliol Unit Fd. Mgrs. Ltd.

Charities Official Invest. Fund

Chieftain Trust Managers Ltd.

Confederation Funds Mgt. Ltd.

Cosmopolitan Fund Managers

Crescent Unit Tst. Mngrs. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmt. Ltd.

Equity & Law Un. Tr. M.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd.

Friends' Provdt. Unit Trs. Mgrs.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers

Gibbs (Antony) Unit Trs. Mgs. Ltd.

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mngrs. Ltd.

Henderson Administration

Hill Samuel Unit Tst. Mgrs.

Intel

Investment Intelligence Ltd.

Key Fund Managers Ltd.

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General Tyndall Fund

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group

Manulife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngmnt. Ltd.

Murray Johnstone U.T. Mgmt.

Mutual Unit Trust Managers

National and Commercial

National Provident Inv. Mngrs. Ltd.

National Westminster

NEL Trust Managers Ltd.

Norwich Union Insurance Group

Pearl Trust Managers Ltd.

Pelican Units Admin. Ltd.

Perpetual Unit Trust Mngmt.

Practical Invest. Co. Ltd.

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd.

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd.

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Schlesinger Trust Mngrs. Ltd.

J. Henry Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Sebag Unit Tst. Managers Ltd.

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd.

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co.

TSB Unit Trusts (y)

Tyndall Managers Ltd.

Ulster Bank

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

NOTES

Prices do not include $ premium, except where indicated, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses.

INSURANCE & PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assur. Co. Ltd.

City of Westminster Assur. Soc. Ltd.

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life Assurance Co. Ltd.

Crusader Insurance Co. Ltd.

Eagle Star Insur/Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London A'deen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Solar Life Assurance Limited

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & O'SEAS FUNDS

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Arbuthnot Securities (C.I.) Limited

Australian Selection Fund NV

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive—Ldn. Agents

Bridge Management Ltd.

Britannia Tst. Mngmt. (C.I.) Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F. & C. Mgmt. Ltd. Inv. Advisers

Fidelity Mgmt. & Res. (Bda.) Ltd.

Fidelity Mgmt. Research (Jersey) Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Hambro Pacific Fund Mgmt. Ltd.

Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Baring Fund Mgrs. Ltd.

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Invest. Mgmt. Intnl.

N.V. Interbeheer

International Pacific Inv. Mgmt. Ltd.

J.E.T. Managers (Jersey) Ltd.

Jardine Fleming & Co. Ltd.

Leopold Joseph & Sons (Guernsey)

Kemp-Gee Management Jersey Ltd.

Keyser Ullmann Ltd.

King & Shaxson Mngrs.

Kleinwort Benson Limited

Lloyds Bk. (C.I.) U/T Mgrs.

Lloyds Bank International, Geneva

M & G Group

Midland Bank Tst. Corp. (Jersey) Ltd.

Samuel Montagu Ldn. Agents

Murray, Johnstone (Inv. Adviser)

Nat. Westminster Jersey Fd. Mgrs. Ltd.

Negit S.A.

Negit Ltd.

Pacific Basin Fund

Phoenix International

Providence Capitol Life Ass. (C.I.)

Quest Fund Mngmnt. (Jersey) Ltd.

Richmond Life Ass. Ltd.

Rothschild Asset Management (C.I.)

Rothschild Asset Mgt. (Bermuda)

Royal Trust (C.I.) Fd. Mgt. Ltd.

Save & Prosper International

Schlesinger International Mngt. Ltd.

Schroder Life Group

J. Henry Schroder Wagg & Co. Ltd.

Sentry Assurance International Ltd.

Singer & Friedlander Ldn. Agents.

Standard Chartered Intl. Bd. Fd.

Stronghold Management Limited

Surinvest (Jersey) Ltd.

TSB Unit Trust Managers (C.I.) Ltd.

TSB Gilt Fund Managers (C.I.) Ltd.

Tokyo Pacific Holdings N.V.

Tokyo Pacific Hldgs. (Seaboard) N.V.

Tyndall Group

Unilife Assurance (Overseas) Ltd.

Union-Investment-Gesellschaft mbH

Utd. Intnl. Mngmnt. (C.I.) Ltd.

United States Tst. Intl. Adv. Co.

S. G. Warburg & Co. Ltd.

Warburg Invest. Mngt. Jrsy. Ltd.

World Wide Growth Management

Wren Commodity Trust

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1979 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
"Shorts" (Lives up to Five Years)						
99⅛	95⅝	Electric 4¼pc '74-79	99⅛xd	+1/32	4.28	13.08
100¼	54⅝	Treasury 10½pc '79‡‡	95⅞	......	10.57	13.73
98¼	94½	Electric 3½pc '76-79	97⅞	+1/32	3.58	13.69
99⅞	95⅞	Treasury 9pc 1980‡‡	98¼xd	−½	9.17	12.84
99⅞	95¹¹⁄₁₆	Treasury 9½pc '80‡‡	97¾	−⅛	9.71	12.67
97	92⅛	Treasury 3½pc '77-80	94½	−⅛	3.70	10.67
97⅜	92⅞	Funding 5¼pc '78-80‡‡	95½	−⅛	5.49	11.10
103⅝	99⅛	Exchequer 13pc 1980‡‡	100½	......	12.93	12.43
102⅛	96¹¹⁄₁₆	Treasury 11½pc 1981‡‡	99⅛	......	11.56	11.87
95¾	88⅞	Treasury 3½pc 1979-81	92⅞	−⅛	3.77	8.72
99¹¹⁄₁₆	92⅞	Treasury 9¾pc 1981‡‡	96⅞	......	10.09	12.11
96¾	89½	Exch. 8¼pc 1981	94⅜	......	8.75	11.87
98¹¹⁄₁₆	91¼	Exch. 9½pc 1981	95¾	−1/16	9.92	11.98
91¼	84¼	Exch. 3pc 1981	90	......	3.33	8.55
98⅛	96	Treas. Variable '81§§	97⅞	+1/16	14.18	15.19
104⅝	97⅛	Exch. 12¾pc 1981‡‡	101⅝	−⅛	12.57	11.96
96⅞	88	Treas. 8½pc '80-82‡‡	93⅛	−1/16	9.11	11.74
89½	82	Treasury 3pc '82‡‡	87⅞	−¼	3.41	8.51
108⅛	100½	Treasury 14pc '82‡‡	104⅞xd	−1/16	13.40	11.97
97¼	94⅜	Treas. Variable '82§§	95⅞	−1/16	14.39	15.61
95¼	85⅜	Treasury 8¼pc '82	92⅛	−1/16	8.96	11.55
97¼	86½	Exch. 9¼pc 1982	93⅛xd	−1/16	9.92	11.97
95⅞	84⅝	Exch. 8¾pc 1983	92⅞	−1/16	9.46	11.49
86⅛	77¾	Exch 3pc '83	83⅝xd	−¼	3.58	8.51
104½	93⅛	Treasury 12pc 1983‡‡	100¼xd	−1/16	11.97	11.93
95	93½	Treas. Variable '83§§	93⅞	−1/16	14.70	15.98
97¼	84½	Treasury 9¾pc '83	92⅛	......	9.95	11.53
98⅛	85½	Exch. 10pc 1983	93⅝	......	10.68	11.91
89½	78¾	Funding 5½pc '82-84‡‡	85⅝	......	6.42	9.57
30⅛	29⅛	Exch. 11¾pc '84 £30 pd	30⅛	−1/16	11.54	12.00
77¼	76⅞	Exch. 3pc 1984	77⅛	......	3.88	8.92
Five to Fifteen Years						
101¼	97¼	Treasury 12pc 1984	98¼xd	−⅛	12.07	12.18
110	93¾	Exch. 12¼pc 1985	103⅛	−⅛	12.24	12.22
95	80	Treasury 8½pc '84-86‡‡	91⅞	−¼	9.35	10.38
112⅞	97¾	Exch. 13¼pc 1987	105½	−⅛	12.69	12.32
84⅜	72½	Funding 6½pc '85-87‡‡	84⅛	−¼	7.91	9.87
88⅝	73½	Treasury 7¾pc '85-88‡‡	85⅜	−¼	9.14	10.50
70⅞	58⅞	Transport 3pc '78-88	66	−¼	4.57	8.64
73	61½	Treasury 5pc '86-89	71⅞	−¼	7.18	9.79
113⅞	93¾	Treasury 13pc 1990‡‡	105¼	−⅛	12.51	12.31
89¼	72¾	Treasury 8¼ 87-90‡‡	83¾	−¼	10.08	11.18
106½	86¼	Treasury 11¾pc 1991	97¾	−⅛	12.19	12.34
72½	60⅞	Funding 5¾pc '87-91‡‡	71½	−¼	8.34	10.42
98⅜	89¼	Exch. 11pc 1991	94⅝	−⅛	11.98	12.31
111⅝	91	Treasury 12¾pc '92‡‡	103¼	−⅛	12.49	12.41
[illegible]						
Over Fifteen Years						
[illegible]						
Undated						
[illegible]						

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

1979 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
[illegible]						
107	100	Do. 14pc '79	101	......	14.24	—
108¼	98¼	Do. 14pc '83	104	......	13.46	12.74
86½	77½	ICFC 5½pc Deb. '80-82	84xd	+½	6.42	11.70
85	71½	Do. 6¼pc Db. '81-84	79½	......	8.04	12.10
99	84½	Do. 10½pc Uns.Ln. '86	93	......	11.46	12.40
99	84½	Do. 11pc Uns.Ln. '88	95	......	11.51	12.10
101½	84	Do. 11¾pc Uns.Ln. '90	97	+½	12.34	12.60
72½	57	Do. 7¼pc A Deb. '89-92	67	......	11.08	12.70
69	53½	Do. 7¼pc A Db. '91-94	64½xd	......	11.24	12.60
81½	64½	Do. 9pc 'A' '91-94	75½xd	......	11.92	12.70
78½	62½	Do. 8⅞pc Ln. '92-97	72½xd	......	12.28	12.70
102	95½	Do. 12⅛pc Uns.Ln. 1992	99xd	......	12.58	12.58

FOREIGN BONDS & RAILS

1979 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
35	22	Antofagasta Rly.	35	......	—	—
45	37	Do. 5pc Pref.	45	......	—	—
98	98	Chilean Mixed	98	......	—	13.10
31	18	Chinese 4½pc 1898	25	......	—	—
35	21	Do. 5pc 1912	21	......	—	—
20	10	Do. 5pc 1925 Boxer	10	......	—	—
430	400	German Yng. 4½pc.	425	......	4½	8.36
52	35	Greek 7pc Ass.	41	......	3½	8.76
51	34	Do 6pc 28 Stab. Ass.	40	......	6	7.53
42	32	Do 4pc Mixed Ass.	37	......	4	5.45
54	42	Hung. '24 Ass.	54	......	—	5.10
68	68	Iceland 6½pc '83-88	68	......	—	13.05
90½	78½	Ireland 7½pc '81-83	86	......	7½	12.41
87½	69	Do 9¾pc '91-96	82¼xd	−¼	9¾	12.20
390	230	Japan 4pc '10 Ass	250	......	—	—
73	65	Do 6pc '83-88	67	......	6	12.00
160	135	Peru Ass. 3pc	150	......	3	1.75
75p	75p	S.G.I. 6½pc 1980	75p	......	6½	8.67
$94½	$94½	Turin 9pc 1991	$94½	......	9	9.53
DM91	DM91	Turin 6½pc 1984	DM91	......	6½	8.45
97	95	Uruguay 3½pc	97	......	3½	3.80

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

1979 High	Low	Stock	£	+ or −	Div. Gross	Cvr	Yld Gr's
20¼	11¾	ASA	13¾	+¾	$1.00	—	3.4
59	40	AMF 5% Conv. '87	42	......	5%	—	12.5
21¾	14⅝	Abbott Labs.	19⅞xd	+½	84c	—	—
25⅞	17	Amax $1	20	......	$1.6	—	3.6
23½	15⅞	American Express	18¼	−¼	$1.80	—	4.4
24½	13¼	Amer. Medic. Int.	16½	+¾	60c	—	0.0
14⅝	847p	Asarco Inc.	11⅝xd	+⅛	$1.00	—	3.9
[illegible]							

S.E. List Premium 11⅛% (based on US$2.2173 per £)
Conversion factor 0.6985 (0.6987)

CANADIANS

[illegible]

S.E. List Premium 11⅛% (based on $2.5865 per £)

BANKS AND HIRE PURCHASE

1979 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]								
£173⁄4	930	Com'zbk DM 10%	987p	−7	Q26.6%	—	6.8	—
£18½	£10¼	C'hgn. Hbk. Kr100	£10¼	......	Q12%	—	11.1	—
41	29	Corinthian 10p	38	......	1.05	5.9	3.9	4.4
£24¾	£15	Cred. France F75	£17	......	Q9.87%	—	3.8	—
16	12	Dawes (G. R.)	13	......	—	—	—	—
£121	£64	Deutsche Bank DM50	£67	−¾	Q28.12%	—	5.1	—
90	63	F. C. Finance	63	......	2.2	4.9	5.0	5.8
8¼	5¼	First Nat. 10p	5¼	......	—	—	—	8.4
4	2	Do. Wrrts. 75-83	2½	......	—	—	—	—
266	178	Gerrard Natnl.	266	......	9.12	—	4.9	—
62	39	Gibbs (A.)	52	......	2.2	—	6.0	—
270	217	Gillett Bros. £1	223	−2	†16.95	—	10.9	—

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INSURANCE

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INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

FINANCE, LAND—Continued

MINES—Continued

AUSTRALIAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
14	9	Acmex	12	.....	—	—	—
14	4	ACM 20c	10	.....	—	—	—
171	100	Bougainville 50 Toea	129	+2	†Q15c	1.0	6.1
140	84	BH South 50c	112	+1	—	—	—
960	340	Central Pacific	760	−20	—	—	—
318	170	Conzinc Riotinto 50c	215	+5	†Q10c	2.0	2.4
36	16	Cultus Pacific N.L.	19	.....	—	—	—
13	5	Eagle Corp. 10c	9½	.....	—	—	—
21½	11	Endeavour 20c	15½	+1	—	—	—

TINS

COPPER

MISCELLANEOUS

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

$17½	$10½	Buffels R1	$17	+1	Q200c	ϕ	14.2
$15½	890c	East Drie R1	$13⅝	+⅝	†Q115c	1.6	10.2
$10¾	350c	East Rand Prp. R1	$10½	+1	†Q10c	—	1.2
$29	$18¼	F.S. Geduld 50c	$29	−1½	†Q315c	2.4	13.1
$20¼	$11⅛	Pres. Brand 50c	$20¼	+1	†Q150c	2.2	9.0
$18⅞	$10¼	St. Helena R1	$18⅞	+1	†Q190c	1.4	12.5
760c	407c	Stilfontein 50c	740c	+30	†Q66c	1.7	10.8
$35¼	$18¾	Vaal Reefs 50c	$33¾	+1¼	†Q280c	2.7	10.5
$50¼	$28¾	West Drie R1	$48½	+2⅞	Q615c	ϕ	15.4
$36½	$22¼	West Hldgs. 50c	$34½	+1	†Q415c	1.4	14.5
$18½	$10⅞	Western Deep R2	$16⅞	+1⅛	†Q147½c	2.1	11.6

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling or in EEC currencies are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ≠ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim; reduced final and/or reduced earnings indicated.
- ⁑ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 24

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	.....	Sindall (Wm.)	165	.....
Bertam	22	.....	IRISH		
Bdg'wtr. Est. 50p	410	.....	Conv. 9% '80/82	£86¼	.....
Clover Croft	28	.....	Nat. 9¾% 84/89	£71⅞	.....
Craig & Rose £1	£11½	.....	Fin. 13% 97/02	£86¼	.....
Dyson (R. A.) A	26	.....	Alliance Gas	65	.....
Ellis & McHdy	180	.....	Arnott	350	.....
Fife Forge	52	+3	Carroll (P.J.)	107	+7
Finlay Pkg. 5p	19½	.....	Clondalkin	80	.....
Graig Ship. £1	315	.....	Concrete Prods.	30	+3
Higsons Brew	75	.....	Heiton (Hldgs.)	75xd	.....
Holt (Jos) 25p	260	.....	Ins. Corp	190	.....
I.O.M. Stm. £1	155	.....	Irish Ropes	70	.....
Pearce (C. H.)	278	.....	Jacob	40	.....
Peel Mills	30	.....	T.M.G.	185	.....
Sheff. Refrshmt	105	.....	Unidare	62xd	.....

OPTIONS
3-month Call Rates

Industrials					
A. Brew	9	I.C.I.	24	Tube Invest.	30
BOC Intl	6	"Imps"	8	Unilever	55
B.S.R.	7	I.C.L.	55	U.D.T.	5
Babcock	18	Inveresk	7	Utd. Drapery	10
Barclays Bank	32	KCA	5	Vickers	18
Beecham	52	Ladbroke	22	Woolworths	7½
Blue Circle	18	Legal & Gen.	14	**Property**	
Boots	18	Lex Service	12	Brit. Land	7½
Bowaters	18	Lloyds Bank	25	Cap. Counties	9
B.A.T.	28	"Lofs"	5	Land Secs.	25
Brown (J.)	50	London Brick	7	MEPC	17
Burton 'A'	26	Lonrho	8	Peachey	13
Cadburys	7	Lucas Inds.	25	Samuel Props.	14
Courtaulds	10	"Mams"	12	Town & City	2¾
Debenhams	8	Mrks. & Spncr.	11	**Oils**	
Distillers	21	Midland Bank	30	Brit. Petroleum	100
Dunlop	6½	N.E.I.	14	Burmah Oil	13
Eagle Star	14	Nat. West Bank	28	Charterhall	5
E.M.I.	12	Do. Warrants	15	Premier	5
Gen. Accident	21	P & O Dfd.	10	Shell	25
Gen. Electric	35	Plessey	10	Ultramar	25
Glaxo	50	R.H.M.	5	**Mines**	
Grand Met.	14	Rank Org.	25	Charter Cons.	16
G.U.S. 'A'	30	Reed Intnl.	18	Cons. Gold	20
Guardian	24	Sears	5½	Rio T. Zinc	27
G.K.N.	28	Spillers	4½		
Hawker Sidd.	26	Tesco	7		
House of Fraser	18	Thorn	35		
		Trust Houses	17		

A selection of Options traded is given on the London Stock Exchange Report page

INSURANCE

INSURANCE—Continued

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FINANCIAL TIMES

Thursday August 23 1979

New elections called in India as parliament is dissolved

BY K. K. SHARMA IN NEW DELHI

FRESH ELECTIONS are to be held in India, probably in late November or early December, after Mr. N. Sanjiva Reddy, the country's President, yesterday dissolved the Lok Sabha (the lower house of Parliament).

Mr. Charan Singh will continue as caretaker Prime Minister until then.

The President's decision to order mid-term elections, taken after consultations with leaders of political parties and constitutional experts, means he has accepted the advice of Mr. Charan Singh's Cabinet, which it gave when it resigned on Monday just 15 minutes before it was to face a confidence vote.

The elections may be held on the basis of a new alignment of political forces. It is widely expected that talks on electoral alliances will now begin. Most parties have several factions and efforts are to be made to have the minimum number of parties.

The President's decision has been welcomed by Mr. Charan Singh, whose strategy was to be caretaker Prime Minister at the time of the election since this would give him clear advantages.

But it has angered the other parties, including what remains of the Janata Party and Mrs. Indira Gandhi's Congress faction. Mr. Jagjivan Ram, leader of the Opposition and of the Janata Parliamentary Party which was still the largest in the Lok Sabha, had staked a claim to form an alternative government.

His claim, based on the argument that Mr. Charan Singh's advice should not be accepted since he never faced Parliament, was rejected by the President, who chose to follow the constitutional provision that he is bound to act on the advice of the Cabinet. Mr. Chandra Shekhar, president of the Janata Party, was visibly annoyed and said the President's decision had "no rationale." He added: "I never expected such conduct from a person holding this high office."

Mrs. Gandhi, who also favoured new elections, is opposed to Mr. Charan Singh's continuing to head the Cabinet. She would have preferred Mr. Jagjivan Ram as the caretaker Prime Minister.

The elections cannot be held before November or December for practical reasons. Elaborate preparations are needed for polling by an electorate that is nearly 400m strong and largely illiterate. The chief election commissioner is to start work immediately on the basis of electoral rolls valid on January 1, 1979.

The Lok Sabha ran less than half its term of five years. It was dissolved after the political crisis that began last month with the disintegration of the Janata Party (which ousted Mrs. Gandhi in 1977) and the resignation of Mr. Morarji Desai as Prime Minister.

More public borrowing urged

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

PUBLIC SECTOR borrowing should be permitted to rise next year as a result of the recession, according to two leading economists who are listened to closely by the Conservative Treasury Ministers. Otherwise there is a danger of an excessively contractionary policy.

Dr. Alan Budd and Mr. Terry Burns of the London Business School argue that the Government's present priorities are confused and that Ministers should appreciate that it is not necessary to reduce borrowing each year to cut monetary growth. Their comments appear in the economic viewpoint of the school's Centre for Economic Forecasting.

The authors' monetarist thinking has carried much weight with present Treasury Ministers, in contrast to that of the National Institute of Economic and Social Research.

Their comments highlight the increasing difficulties for the Government in setting a public-sector borrowing target for 1980-1981.

The ceiling has been fixed between £8½bn and £8¾bn for the last three years and Conservative Ministers have talked about the need for a steady fall. Borrowing is likely, however, to be pushed up next year by the recession, which will cut tax receipts and raise social services expenditure.

The authors point out that in a recession it becomes easier to finance borrowing, since bank lending to the private sector falls and personal sector savings rise.

They calculate that a rise in borrowing in 1980-81 of £3½bn above this year's level would be consistent with the same monetary stance as at present.

Last month the Business School predicted borrowing of £10.9bn this year, although its estimate might be slightly less now.

Dr. Budd and Mr. Burns point out that borrowing of £10½bn in 1980-81, against £8.3bn this year, would represent a significant tightening of financial policy after taking account of the recession. W. Greenwell, the leading stockbrokers, have estimated that borrowing may be no more than £9bn next year.

Mistakes

The Business School authors say that determination to reduce the Budget deficit each year, regardless of the behaviour of output, might, coupled with an annual reduction in income tax, have unnecessary drawbacks in 1980 for output and the standards of public-sector services.

"The UK is entering a period when it would be characteristic of policy to be more contractionary than intended. It is mistakes of this kind which lead to excessive reactions later (as in 1972-73)," they say.

A difficulty in changing the target is that the City and the financial markets have become very attached to a ceiling fixed in nominal terms.

The authors argue that, "in the absence of a coherent medium-term financial plan, the Government is unprepared for shocks to the economy and is forced to stagger from one set of cuts to another as new short-term calculations are made."

They maintain that the Government's objectives are the wrong way round and that the starting point should be the establishment of a long-term path for borrowing, permitting short-term cyclical deviations, in the light of the monetary target.

Then a long-term goal should be set for the balance of public and private spending. Finally, the balance between direct and indirect taxation should be allocated.

Lombard, Page 14; Economic viewpoint, Page 17

State aid for NEB titanium project

By John Elliott, Industrial Editor

THE GOVERNMENT has given the go-ahead to the National Enterprise Board for one of its largest investment projects—to save Rolls-Royce from buying foreign-made titanium for its aero engines.

Up to £20m of State aid is to be provided for the project, which involves building a titanium processing plant in Hartlepool.

Construction will be by a new company called Cleveland Titanium, in which the major partners are the NEB, Rolls-Royce and IMI.

Sir Keith Joseph, Industry Secretary, agreed to the project earlier this month but said that his decision should not be announced publicly.

This was because he has been embarrassed by having to sanction such a substantial amount of State aid through the NEB so soon after his announcements last month of cuts in regional and other industrial aid and in the role of the NEB.

The decision was forced, however, because ICI, which produces titanium on Teesside, is phasing out production, leaving Rolls-Royce without an alternative UK source.

But Sir Keith has insisted that his approval is conditional on the NEB's trying to find a private sector partner to take over its 50 to 60 per cent stake in the project during the next few months, at which point it would withdraw.

So far the NEB has failed to attract any partners but it hopes to by the end of the year. It is holding talks with companies involved in titanium in the U.S., Europe and Japan, as well as with British financial institutions and industrial companies.

Foreign titanium producers believed to be involved include Pechiney Ugine Kuhlman of France and Osaka of Japan, while UK companies are thought to include Rio Tinto Zinc.

The total cost of the plant is expected to be between £25m and £30m and it will qualify for about £5m of State regional aid.

The NEB will initially provide 50 to 60 per cent of the remainder of the capital while Rolls-Royce, itself an NEB subsidiary, and IMI will provide the rest which may amount to about £5m each.

BAT plans to buy Imperial stake in Mardon

BY ANDREW FISHER

BAT INDUSTRIES plans to buy out the 50 per cent stake held by Imperial Group in the jointly owned Mardon Packaging International, a move that will end a 77-year link between the two diversified British tobacco companies.

The two groups said yesterday that talks were being held about BAT's acquiring the Imperial holding in Mardon, which was set up as a 50-50 venture 17 years ago.

No price was mentioned for the proposed deal. In its last financial year to September 30, 1978, Mardon lifted pre-tax profits by 11 per cent to £21.6m on sales 17 per cent higher at £314m.

News of the discussions follows speculation that Imperial may be preparing for a further acquisition, possibly in the U.S., to add to its sizeable brewing and food interests.

Imperial, which obtained over £150m for the sale of its remaining 13 per cent interest in BAT this March, and has considerably reduced the proportion of its profits coming from tobacco, has about £220m of funds for investment.

Mardon operates in the UK, West Germany, France and North America. The joint statement referred to "substantial new worldwide opportunities" if the company was taken fully under the wing of BAT.

Mr. John Symons, a deputy chairman of BAT and a director of Mardon, said last night that the packaging company had so far not been able to expand much outside Europe and North America.

"Our support will stimulate its development in other areas of the world where BAT is active," he said. Some BAT tobacco companies around the world had printing and packaging interests, so Mardon would be able to build up its business there as a wholly-owned subsidiary.

But the benefits to Mardon of full ownership by BAT would not come about in the short term. "We have got to agree with Mardon about where it is most desirable to expand."

Mardon achieved nearly two-thirds of its 1977-78 sales in the UK, with just under a quarter in North America and the rest mainly in Europe.

About a third of the total comprised folding cartons for the cigarette and food industries. The rest was spread across flexible packaging, fibreboard cases, corrugated board, and other products.

The company failed in a bid to take over the John Waddington printing and playing cards group in 1967. But since then, it has added substantially to its UK activities, and has bought several U.S. and Canadian companies.

● The Office of Fair Trading yesterday approved the proposed supermarket merger between BAT's International Stores and the MacMarkets operation of Unilever, which will create Britain's fourth largest retail food chain.

Continued from Page 1

Smith for talks

Zimbabwe Rhodesia are represented in the delegation—Bishop Muzorewa's United African National Council (six delegates), Mr. Smith's Rhodesian Front (two), Chief Kayisa Ndiweni's United National Federal Party (two), and Mr. Ndabaningi Sithole's Zanu (two). The Rev. Sithole, leader of Zanu, is the only non-Cabinet Minister in the team. The other white is Finance Minister David Smith.

Two senior white civil servants will accompany the team. They are Mr. George Smith, Secretary to the Cabinet, who is a legal expert, and Air-Marshal Harold Hawkins, Zimbabwe-Rhodesia's accredited diplomatic representative in Pretoria.

Michael Holman in Lusaka adds: A Zambian Government spokesman called the target a "refugee camp" which suffered "slight damage."

By late afternoon there had been no reaction from Mr. Joshua Nkomo, leader of the Zimbabwe African Peoples Union (ZAPU) which has over 10,000 guerrillas based in Zambia and also cares for about 50,000 refugees.

Elinor Goodman in London writes: For Mr. Ian Smith, the London visit will be his first since the declaration of Independence almost 14 years ago. He was reported yesterday to be unperturbed by the threats levelled against him by the Anti-Apartheid movement in Britain.

Some members of the British Government may well be disappointed that Mr. Smith has decided to come to the talks. There was a feeling that his presence could be inflammatory

British Steel loss about £70m

BY ROY HODSON

THE BRITISH Steel Corporation is believed to have made a loss of around £70m in the three months to the end of June—the first quarter of its financial year.

The figures, due to be announced in the next few days, will do little to convince the Government that British Steel can achieve the target set by Sir Keith Joseph, Industry Secretary, of operating at a profit in 1980-81.

The recovery in sterling is forcing the corporation to relinquish some export business. Its salesmen are gloomy about the level of demand on the home market and the pressures upon profit margins from competitively-priced foreign steel imports.

After the present round of plant closures has been completed over the next year, British Steel is still likely to be losing money while becoming short of room to manoeuvre.

Some trade union officials believe the Board might be forced within the next 12 months to ask the Government to examine the possibility of closing one of the major integrated works. The two works thought to be most at risk are Llanwern, South Wales, and Scunthorpe, Lincolnshire, which each lost about £30m last year.

Sir Keith has begun to study the corporation's accounts on a month-by-month basis to ensure that public funds provided for essential capital investment in the industry are not used to finance accumulating losses.

Last year the Corporation's average quarterly losses approached nearly £80m. When Sir Charles Villiers, chairman, disclosed in July the corporation had lost £309m in 1978-79 (after £443m the previous year), he promised to publish results quarterly instead of half-yearly.

About another 16,000 jobs in British Steel would be lost bringing the labour force below 170,000.

In the past 2½ years the corporation has cut out nearly 25,000 "job opportunities" while more than 17,500 employees have accepted redundancy.

How British Steel is shrinking, Page 6

Continued from Page 1

Grand Met in French deal

Le Grand Hotel, Boulevard des Capucines; Hotel Meurice, Rue de Rivoli; and the Prince de Galles, Avenue George V.

They have the highest luxury category applicable in France and their 1,027 rooms would bring Grand Metropolitan's total rooms in Europe up to 11,500.

It was unclear whose stakes Grand Metropolitan was buying. The company said in London yesterday that there were two sellers whose names it would not reveal.

In Paris, one seller was reported to be Lemnico SA, a Swiss company controlled by the First Arabian Corporation which is directed by Mr. Roger Tamraz, a Lebanese businessman.

The deal is subject to a number of conditions, investigation by accountants and consent of the French Government.

Grand Metropolitan stressed yesterday that government consent was no formality and quoted Lucas as a British company which had a recent application turned down.

The purchase would fit in with Grand Metropolitan's strategy of buying groups of first class hotels in European cities. Among its 17 Continental hotels are the Carlton in Cannes, the Amstel in Amsterdam and the Angleterre in Copenhagen.

Grand Metropolitan said it preferred buying groups because better management and bigger bookings could be obtained.

The price which Grand Metropolitan will pay for its holding in Societe Narvelle remains undecided. The French company's turnover last year was FFr 150m (£16m). The deal will be the first significant acquisition since Grand Metropolitan's £77m rights issue in June.

Weather

UK TODAY

MOST places wil have showers, with longer outbreaks of rain in Ulster and parts of Scotland and North West England.

London, S.E., Cent. S., S.W. England, E. Anglia, Channel Isles, S. Wales

Sunny intervals and showers. Max. 18C (64F).

Midlands, E. and Cent. N. England

Cloudy, frequent showers. Max. 17C (63F).

N. Wales, N.W. England, Lake District, Isle of Man, Ulster, S.W., Cent. and N.W. Scotland

Rather cloudy, with showers or longer outbreaks of rain. Gales in places. Max. 14C (57F).

N.E. England, Borders, E. Scotland

Bright intervals and showers. Max. 15C (59F).

N.E. Scotland, Orkney, Shetland

Cloudy, with showers or longer outbreaks of rain. Max. 15C (59F).

Outlook: Sunny intervals and showers.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	24	75	Locarno	C	19	66
Algiers	S	28	82	London	F	17	63
Amsdm.	S	17	63	Luxmbg.	C	15	59
Athens	S	30	86	Madrid	S	28	82
Bahrain	S	38	100	Majorca	S	27	81
Barclna.	S	26	79	Malaga	S	27	81
Belfast	C	13	55	Malta	S	29	84
Belgrd.	F	25	77	Mchstr.	C	14	57
Berlin	F	20	68	Melbne.	R	13	55
Biarritz	C	20	68	Mex. C.	C	20	68
Bmghm.	C	15	59	Milan	S	26	79
Blackp'l	F	13	55	M'ntreal	S	22	72
Bordx.	C	20	68	Moscow	F	22	72
Boulgn.	C	15	59	Munich	F	21	70
Bristol	C	15	59	Nairobi	S	23	73
Brussels	C	16	61	Naples	S	27	81
Budpst.	S	26	79	Nwcstl.	F	15	59
B. Aires	C	21	69	N. York	S	25	77
Cairo	S	34	93	Nice	S	25	77
Cardiff	F	15	59	Nicosia	S	29	84
Cape T.	S	19	66	Oporto	S	26	79
Chicago	C	23	73	Oslo	S	17	63
Cologne	C	16	61	Paris	F	18	64
Cophgn.	F	18	64	Perth	S	17	63
Corfu	F	27	81	Prague	C	21	70
Dublin	F	15	59	Rcykjvk.	F	11	52
Dbrvnk.	S	26	79	Rhodes	S	29	84
Ednbgh.	F	15	59	Rio J'o	C	22	71
Faro	F	26	79	Rome	S	27	81
Florence	S	27	81	Salzb'rg	S	23	73
Frankf't	R	17	63	Singapr.	S	30	86
Funchal	F	23	73	Stckhm.	F	18	64
Geneva	S	23	73	Strasb'g	C	18	64
Gibrltr.	F	24	75	Sydney	S	19	66
Glasgow	C	14	57	Tangier	S	26	78
G'rnsey	F	15	59	Tehran	S	26	78
Helsinki	C	19	66	Tel Aviv	S	29	84
H. Kong	S	32	89	Tenerife	S	20	68
Innsbr'k	F	23	73	Tokyo	S	30	86
Invrnss.	R	12	54	Toronto	S	23	73
I. o Man	C	13	55	Tunis	S	28	82
Istanbul	S	30	86	Valencia	S	27	81
Jersey	F	16	61	Venice	S	25	77
Jo'burg	S	15	59	Vienna	S	26	79
L. Plms.	S	24	75	Warsaw	C	22	72
Lisbon	S	29	84	Zurich	F	21	70

C—Cloudy. F—Fair. R—Rain. S—Sunny.

THE LEX COLUMN

Dresdner routs the gold bears

Any bank that can shell out well over $200m at a single gold auction, even if it is acting for clients, must be pretty bullish about the gold price. This, at least, seems to be the stock reaction to Dresdner Bank's coup at the latest U.S. Treasury auction. Dresdner bought virtually all the gold on offer and against the background of rumours that it was acting for Middle Eastern clients, the gold price soared to a new London closing peak of $309.375 yesterday.

Such rumours have been around before and there is no way of telling whether they are true. What is clear, however, is that the gold market has recovered remarkably quickly from its brief shakeout earlier this month — over the last fortnight the price has risen by a tenth. It seems that ahead of the auction the American market was technically short and dealers who had hoped to get gold to meet clients' demand were forced to cover themselves in the market yesterday.

These technical factors help to explain the sharpness of the market's movement over the last couple of days. But there has also been a fundamental change in investment habits in recent months which is supporting the price. Last year, investors were using the market to hedge against a decline in the dollar and although the gold price moved ahead strongly in 1978, its performance in terms of hard currencies was far less spectacular.

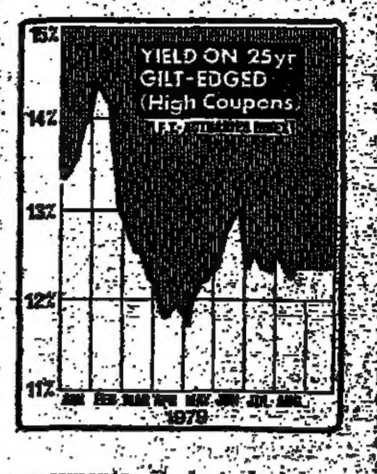
This year, investors seem to be far more concerned about inflation worldwide, and the gold price in Swiss franc terms has risen by 40 per cent since the start of the year—more than the increase in U.S. dollar terms.

BOC Intl.

BOC International's reported profits are labouring under two disadvantages—the very strong pound and the group's replacement cost depreciation policy, which spreads to a few more subsidiaries every year and now covers Airco in the U.S., Airco is having an excellent year in dollar terms but its sterling contribution is relatively modest after the additional depreciation and the interest charges relating to its acquisition.

After nine months BOC is showing pre-tax profits of £51.4m against £48.8m in the nine months to June, 1978; third quarter profits are actually down, at £19.1m against £22.6m. But what the group has lost this year through exchange rate

Index rose 1.2 to 465.7



movements it lost last year through strikes, and the underlying trend is dull. It now looks as though the pre-tax figure for the year to September will be much nearer to £70m (against last year's £66.5m) than to the £80m which once looked possible.

Prospects for 1979-80 are not exciting either, as Airco expects its performance to tail off in the last quarter of 1979 and the outlook for sales in Europe remains flat. Margins may come under some pressure—already the competition seems to have taken over from the Price Commission in holding the prices of BOC's UK gases steady. Pre-tax profits next year seem more likely to benefit from a fall in financial costs than from any improvement at the trading level. At 72p, unchanged yesterday, the shares yield a prospective 8 per cent.

London Brick

London Brick had warned at the end of May that because of the bad weather and the lorry drivers' strike its first half results were going to be disappointing. But few expected this to mean that its interim pre-tax profits would slump from £6.7m to £3.1m.

At the end of the day brick deliveries were 7 per cent down, and London Brick is now blaming its poor performance on "heavy increases in costs at a time when brick prices were being held." With the demise of the Price Commission it has been able to push through two price increases in a couple of months and its margins should look much healthier. Nevertheless it is going to be quite a struggle for the company to match last year's pre-tax profits of £14.1m.

Given this rather depressing performance and the fact that the company is saying nothing about its future dividend policy, the shares showed remarkable stability yesterday. This could have had something to do with the appearance of a leading broker's circular arguing that the company was going to make a lot more money next year.

Public borrowing

If incitement to crowd out were a crime, the London Business School would be behind bars. It is suggesting that a public sector borrowing requirement for 1980-81 some £3½bn higher than the current year's could be financed without the need to make any change in the Government's present monetary stance. It arrives at this figure by taking £1bn for inflation and £2.2bn to reflect the natural tendency for the PSBR to rise in a recession—output is forecast to fall by 2 per cent relative to the recent trend.

The LBS is talking in terms, then, of a PSBR of £13½bn or so, taking the present year's figure at £9.8bn before asset sales. But it actually seems to believe that the Government will ignore its advice to allow the PSBR to rise as much as this, and will countenance a significant tightening of financial policy.

The gilt-edged market would have a collective fit if it thought any Treasury minister remotely sympathetic to a PSBR of anything like £13½bn. But if the LBS is right when it says that the prevailing financial conditions next year would allow a deficit of this size to be financed without undue strain, then financing a much smaller one ought to be a walkover—and at much lower interest rates.

Mardon sale

BAT, Bunzl Pulp, Glenlivet Distillers and now Mardon Packaging — Imperial Group's sales of its equity interests in companies outside its mainstream businesses have almost gone full course. BAT will have to pay a big sum to buy Imperial's half share in Mardon and thus gain full control. Mardon has a progressive record, and net attributable profits of £14½m in 1978 represented a respectable return on its shareholders' funds, which ended the year at around £83m. Imperial's liquid resources, which are currently put at around £220m, could well be approaching the £300m mark after this sale.

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